




Speech by

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MEMBER FOR FERNY GROVE

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RACING AND OTHER LEGISLATION AMENDMENT BILL

 **Mr SHUTTLEWORTH** (Ferry Grove—LNP) (5.08 pm): I rise in the House this afternoon to discuss the merits of the Racing and Other Legislation Amendment Bill 2012. We should not at this point underestimate the passion of the racing industry in Queensland, and neither should we overlook the commitment we made to the state of Queensland to review this industry and to ensure that our amendments are undertaken with a deliberate mindset to address the wrongs of the previous maladministration of this vital industry.

Before I outline the benefits of this bill, I feel it essential at this point to highlight to the House just a few of the many examples where under the stewardship of the previous administration we have witnessed an appalling lack of integrity and where the self-serving, feathering of one's own nest was typical, run-of-the-mill methodology of those opposite. On 27 March 2012, just three days after the electors throughout Queensland sent a fairly clear message, the *Courier-Mail* reported a story with the heading 'LNP examines payouts as Racing Queensland Officials Malcolm Tuttle, Jamie Orchard, Paul Brennan, Shara Reid quit'. The article stated—

The exodus at RQ—

Racing Queensland—

started on day one of Labor's demise.

...

Racing Queensland chairman Bob Bentley confirmed last night that all four will be paid out the remainder of their contracts.

What we now know is that in August 2011 the former board of Racing Queensland agreed to alter the employment contracts of the four aforementioned top executives, including the addition of a material adverse change clause and a 30 per cent pay increase.

Within two days of the 24 March election Racing Queensland Ltd was lumbered with the enormous payout of \$1.858 million, which was inclusive of 14 months salary, redundancy payments and leave entitlements. It is important to note that the executive payments were not benchmarked to industry or linked to performance outcomes and the introduction of these changes was undertaken by individuals who were directly affected by subsequent changes. Of course, this was just the icing on the cake. There are numerous examples of financial mismanagement, too. The former Labor administration's financial standards were all too evident within Racing Queensland Ltd. Racing Queensland was at the brink of destruction. In the recently tabled annual report, Racing Queensland Ltd outlined how they are expecting to post a \$14 million loss this year. A number of factors contribute to this forecast, not the least of which was the centralisation of control, the building up of bureaucracy and loss of efficient processes. Of course, the effect of this magnificent golden handshake contributes in excess of \$1.35 million above budgeted costs.

We could also review the process that the board used, which was questionable at best. We hear of a number of contracts awarded to a single engineering firm valued at \$150 million without competitive

tendering. This is in complete contrast with Racing Queensland Ltd's procurement process, which stipulates that works in excess of \$10,000 are to be competitively tendered. Alarming, two of the executives who were integral to this process were recipients of the magnificently generous golden handshake and are now employed in senior positions of the same engineering firm. Is it any surprise that the racing industry—an industry that employs many thousands of Queenslanders and supports many families throughout this great state—looks to this LNP government with great confidence and comfort knowing that we are the government that is able to provide a secure future with true accountability and transparency?

I now return to the amendment bill. I will begin by highlighting how our amendments will provide the industry with the certainty that they seek. The objectives of this bill are to remove Racing Queensland Ltd as the control body for thoroughbred, harness and greyhound codes of racing; establish a Queensland all-code board and three separate control boards; and permit Queensland bookmakers to utilise the internet to undertake bookmaking. The Queensland thoroughbred racing, the Queensland harness racing and the Queensland greyhound racing boards will be established as code-specific control boards and will be vested with the powers necessary to ensure that the specific board will be sufficiently empowered to undertake the management of their racing code.

The primary task of the control board is to undertake the actions directed by the all-codes board in terms of strategic direction to review or recommend meeting dates, allocation of prize moneys as recommended by the all-codes board and interfacing with the industry stakeholders to facilitate optimum outcomes within each of the industry codes. As a result of this bill the industry stakeholders will feel empowered to address specific concern facing their specific code of racing. For too long through the dysfunctional centralised bureaucracy each sector of this industry has felt voiceless and constrained. These newly empowered control boards will develop and review strategic plans and a rolling five-year infrastructure plan for their code of racing in conjunction with the overall direction of the all-codes board.

There was a concern raised about the level of rural and regional representation on the three-member board. The department response to this concern is a well considered one. Criteria and enforced memberships of boards often result in less than optimum outcomes. It is, therefore, thought that the membership of the board should only be the best fit for purpose rather than putting in place regional location requirements. Well qualified and experienced regional individuals will be encouraged to apply to ensure a balanced representation is possible, but it is not necessary to accept substandard membership simply to satisfy a regional representation. All that said, the committee does recommend that there are processes in play that encourage and support regional applications. If there are individuals from the region with suitable skills identified, it is recommended that the minister consider the regional location as an added benefit to the applicant's consideration.

Mrs Frecklington interjected.

Mr SHUTTLEWORTH: Absolutely nothing! With the three control boards established, the three chairs will become members of the overarching all-codes board. This board will be responsible for developing the strategy for the overall industry, pursuing challenges facing their individual industry or all codes, and identifying priorities with regard to capital expenditure and future developments. In addition to the chairs of the control board, there are two additional members who must have experience in relevant areas of need such as law, business, financial management, marketing or racing. The appointments to the board and the executive positions will be staggered to ensure that there is a well maintained management succession and consistently maintained transfer of industry knowledge.

There are other aspects of the bill that are also very important components in ensuring that the industry re-establishes confidence in their own industry's future. This confidence may come through the fact that their industry will now compete on a more level playing field when compared to other jurisdictions. This comes about because of the amendment to the wagering and bookmaking components of this bill. Across various states bookmakers enjoyed a staggering 150 per cent increase in revenue between 2005 and 2011. However, in Queensland bookmakers lost 40 per cent over the same period. This is in no small part attributed to the antiquated laws we have in regard to the use of internet for bookmaking activities. Thankfully, this is addressed in this bill and bookmakers will now be able to use telecommunication systems and, therefore, ensure that they are able to compete with bookmakers throughout other states. Other amendments will ensure that the Interactive Gambling Act current tax rate of 50 per cent will be reviewed to comply with other bookmaking taxation levels. There will also be the capacity to take off-course wagers, further increasing the competitiveness of our Queensland bookies.

The last aspect I wish to address is the integrity functions of the racing industry. Most importantly, this function will be undertaken by an independent arbiter who will be separate from the racing industry. There is also provision within the bill to ensure a level playing field whereby if an aggrieved person chooses to employ counsel, the control body may employ counsel. However, if the aggrieved person chooses not to employ counsel, the control body cannot either. This should ensure that the perceived

financial disadvantage between the control board and an individual is not a determining factor due simply to the capacity to employ counsel. A true level playing field through an independent disciplinary board does provide the racing industry with increased confidence about the management of the disciplinary and appeals process.

In closing, I would like to thank the secretariat for their outstanding support of our committee and also acknowledge the efforts of our previous chair, the member for Redlands, Mr Dowling. I thank the minister and his department for the level of consultation undertaken and the confidence he is returning to this vital industry of the state of Queensland. I commend the bill to the House.