




Speech by

Steve Davies

MEMBER FOR CAPALABA

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RACING AND OTHER LEGISLATION AMENDMENT BILL

 **Mr DAVIES** (Capalaba—LNP) (4.29 pm): I rise to speak to the Racing and Other Legislation Amendment Bill 2012. I am pleased today to highlight the good work this government is doing in relation to the Board of Racing Queensland and its support of the Racing and Other Legislation Amendment Bill 2012. It is important to highlight the good work this government is doing because it is in stark contrast to that of the previous regime. In fact members of my electorate who frequent the Capalaba greyhounds and those who work at the track, like Ross and Nigel, will be very interested to know of the activities undertaken by the former board of Racing Queensland. I will now take this opportunity to outline some of the many examples that illustrate clearly the strong need to reform the racing industry.

As a member of the HCSC it was quite shocking to hear of the wheeling and dealing and shifty deals that seemed to be part of RQL's, and ultimately Labor's, DNA. Let us start with the former board of RQL agreeing to alter the employment contracts of four of RQL's top executives, including the addition of a clause that allowed an increase in salary of 30 per cent. I am not sure how the mates on the board actually came to 30 per cent being an appropriate figure considering there was no independent benchmarking, no linking of increases to KPIs. The retention payments were not linked to any definable performance targets either. But let us not get too bogged down with the intricacies—we have a lot to cover—suffice to say that two executives who stood to benefit financially from the change in their employment and conditions were directly involved in the negotiation process.

Two days after the state election all four executives resigned from RQL and promptly received separation payments totalling \$1.8 million. That is right, \$1.8 million.

A government member: Shameful.

Mr DAVIES: It is shameful. This figure includes 14 months salary, redundancy payments and leave entitlements. Those who stood to benefit did and the interests of those who were supposed to be looked after were shafted, as was noted in the Auditor-General's report.

But why are we surprised when we note which prominent AWU man was involved on the board—no doubt hand picked by the former leader of our state and the overseers of this debacle, Labor—'Big' Bill Ludwig. 'Big' Bill Ludwig's history of manipulation within the Labor political realm is well documented. If any members need a refresher course, I am sure the member for South Brisbane would be happy to give them a detailed history and an update.

So aside from the gross conflict of interests and golden handshakes that would make the executives of Lehman Brothers proud, we can now—

Government members interjected.

Mr DAVIES: It is true. It is unbelievable. We can move onto the financial mismanagement. The 2011-12 annual report makes very bleak reading. Some highlights include the company's expectation to post a loss of \$14 million, driven by such factors as a payroll—it seems to be in Labor's DNA—which expanded by over \$4 million. This can largely be attributed to a strategy of centralised control. Clearly 'Big'

Bill Ludwig and his mates on the board were borrowing from Labor's play book on that one. Nothing beats a big old-fashioned deficit. In fact, this is more than bleak reading; this report stands as a damning indictment of the RQL board and the executive's performance as well as the former government who oversaw this travesty.

I would not be able to speak to members about the RQL borrowings straight out of Labor's play book in all honesty unless they had wasted money as well. Well, fortunately, they did. This theme of reckless financial mismanagement, so ably displayed by the former government, was again followed by their mates on the RQL board when they delivered \$10.6 million of infrastructure that will have no comparative financial returns and will instead burden the industry for years and years to come.

I only have a limited time available so I will not continue to speak about the \$150 million worth of infrastructure contracts provided to a single firm without appropriate tenders being undertaken, which is in blatant contrast to their own procurement policy requiring all work in excess of \$10,000 to be competitively tendered to at least three suppliers. Instead, I would like to take the time to remind the House how this government is taking measures to ensure this will not happen again. Changes are being made to enable industry participants to finally have a voice.

Firstly, this government will reform Racing Queensland as the controlling body for the three codes of racing and establish the Queensland All Codes Racing Industry Board to fulfil yet another election commitment and continue this government's record of delivery. In establishing a new body to control these three codes, the new board will have representatives from each code of racing and independent members chosen following recruitment and selection processes. Again, this is in stark contrast to the actions of the previous lot. This is to ensure that each code of racing has adequate representation and accountability in their new roles and enable the board to have the powers and functions required to manage the three codes of racing.

In addition to its control functions, the new board will provide advice to the government on strategic issues that face the industry and facilitate negotiations with regard to strategic issues and agreements such as major capital expenditure priorities, funding distributions and the administration and conduct of racing. One of the other highlights of the bill that the minister has brought before the House is that it will actually bring bookmakers in Queensland into line with bookmakers in other states. It will allow them the same opportunity to use internet facilities and therefore compete with their interstate counterparts.

This government is committed to being open and accountable. These are measures that are not easy but are necessary to bring the industry back to a place of sustainability after so many years of irresponsible errors from the previous government. This bill is about restoring trust in the racing industry in Queensland. I commend this bill to the House. I commend the minister for bringing about really important reform. Racing is a big part of the Queensland economy.

Throughout the committee process the focus on country racing was very evident. As someone who has links to the country, I think it is really important that we restore country racing back to the place it should be in Queensland. I commend the bill to the House. I commend the minister.