

## THOROUGHBRED RACING FURTHER AMENDMENT BILL 2008

Page: 11208

### Second Reading

**The Hon. PENNY SHARPE** (Parliamentary Secretary) [8.22 p.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

#### Leave granted.

The main purpose of the Bill before the House is to amend the Thoroughbred Racing Act 1996 to replace the former Appointments Panel provisions with an independent selection panel process for members of Racing NSW.

The other purposes of the Bill are to:

provide for the procedure to be followed by the independent selection panel; and

for the Minister to undertake a review of the appointment process for membership of Racing NSW within 3 years of the commencement of the proposed amendments.

Before going into the detail of the proposed amendments, it would be appropriate to clarify some matters that have been the subject of speculation.

The Government thanks the members of the Appointments Panel for agreeing to participate in an honorary capacity on the Panel.

It is acknowledged that they have the interests of the industry at heart, and that the task of selecting an independent Board is not a simple matter in an environment of competing interests.

Nevertheless, the Minister for Gaming and Racing found it necessary to intervene as the process had stalled and only Government was in a position of resolving the matter.

At this time it is unnecessary to engage in a deconstruction of the reasons for intervention other than to say that the probity adviser advised that he was not able to give probity assurance in relation to the process, which had been in train since August 2008.

It is emphasised that there was considerable industry consultation during the development of the legislation, and that there was bipartisan support for the provisions when they were debated on 19 June 2008.

The Government's goal, therefore, is that the process be put back on track, and that a new Board be appointed as soon as possible.

The Government is doing everything that is possible to ensure that the new Racing NSW Board—which will oversee the growth and sustainable economic development of the thoroughbred racing industry—is established in a way which will provide confidence in future leadership and governance.

The proposed amendments are aimed at achieving this goal.

The Appointments Panel provisions are to be repealed, including the setting aside of any of its nominations or purported decisions.

In its place, the proposed amendments will provide for an independent selection panel to be constituted by the Minister.

The independent selection panel is to recommend five persons for appointment as members of Racing NSW. The Panel may also recommend terms of up to 4 years.

The Minister has indicated that he will give effect to those recommendations.

The independent selection panel is to make recommendations for appointments based on merit in accordance with the skills based criteria prescribed by the Act.

A probity adviser will assist the independent selection panel.

The independent selection panel will be announced in due course.

The Minister has written to the fifty seven candidates that expressed an interest in the advertisements for membership of Racing NSW. The Minister has done so as a matter of courtesy, and also to advise them of developments and to invite them to resubmit, if they wish, their applications for the revised process.

The Bill also provides that the independent selection panel process will be followed up by a review of the appointments process in the Act within three years of the commencement of the amendments.

The purpose of that review is for Government, in consultation with the industry, to identify the possible options for an appointment process for members of Racing NSW. The review recommendations, as appropriate, could then be reduced to legislative form.

These measures are intended as an interim measure designed to solve the current untenable position.

The Government acknowledges that the racing industry gives a very high value to its independence.

It is clear from recent circumstances, and the response provided by this Bill, that intervention was required in the manner proposed pending the identification of a longer term appointments process.

The statutory requirement is for the Minister to undertake a review of appointment processes with extensive industry consultation and within three years of the commencement of these amendments.

This arrangement addresses any concerns of Government interference in a substantive or ongoing way in the affairs of the racing industry.

The Government's only objective is that the NSW thoroughbred racing industry must have the best possible Racing NSW Board to provide future leadership and sustainable economic development.

The Bill also deals with savings and transitional matters, as appropriate to the circumstances.

I commend the Bill to the House.