



Speech by

Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard 10 November 1998

PRIVATISATION OF TAB

Hon. P. D. BEATTIE (Brisbane Central— ALP) (Premier) (6.14 p.m.): I move the following amendment—

"That all words from and including the words 'this House calls ...' and up to and including the words '... by Wednesday 18th November' be deleted and the following be inserted:

'this House notes the commitment given by the Premier this morning that he and the Minister for Tourism, Sport and Racing will continue to have discussions with the racing industry and the TAB to ensure a strong future for the racing industry and the TAB.' "

There has been a whole lot of humbug spoken by the Opposition in relation to the TAB. The bottom line is this: the large part of the detail which the racing industry put to us in fact was not approved by Cabinet. It was agreed to by the Minister for Racing but not agreed to by Cabinet. Let us be very clear about what happened last Thursday night.

Mrs Sheldon: I just told you it was. The Cabinet document is there to prove it.

Mr BEATTIE: If the honourable member is correct, she is confirming the \$2m success fee. If all of this was approved—

Mrs SHELTON: Mr Speaker, I rise to a point of order.

Mr BEATTIE: The member cannot have it both ways.

Mrs SHELTON: Mr Speaker, the Premier is deliberately misleading the House. In no way does that have anything to do with the success fee. It shows that it did go to Cabinet. As usual, the Premier is lying.

Mr SPEAKER: Order! There is no point of order.

Mr BEATTIE: Typically, I have five minutes to speak in this debate, and the honourable member wants to deny me even an opportunity to respond.

The heads of agreement went to Cabinet. Let us be honest about this, because there has been some dishonesty about this from the former Treasurer. The heads of agreement went to Cabinet but not the detail. That is the truth of the matter. The only person who ticked off the detail was the former Minister, Mr Cooper. The detail never went to Cabinet, just the heads of agreement.

Mrs SHELTON: Mr Speaker, I rise to a point of order.

Mr BEATTIE: The member's manners have not improved, have they?

Mrs SHELTON: Again, the Premier is misleading the House. The financial detail did go to Cabinet, as I have just outlined in my speech.

Mr SPEAKER: Order! There is no point of order.

Mr BEATTIE: Let us get to the heart of this issue. Last Thursday night, the Minister for Racing and I put to the racing industry an opportunity to resolve this matter. Had it been resolved in the interests of the mum and dad shareholders, the racing industry and the TAB, this privatisation would have gone ahead. There is only one reason that it did not go ahead: the deal put to us by the racing industry was not in the interests of Queensland—end of story.

Let us have a look at the facts. ABN-AMRO advised the previous Government that the value of TAB Queensland in a float could be as low as \$80m if the scenario proposed by the industry had been adopted. That is the real figure. Forget this nonsense about it being worth \$150m. That is the advice that members opposite were given. At best, the sale price in a float would have been in the order of \$120m to \$125m. This compares with the current capitalisations of the New South Wales TAB at \$1.5 billion and Victoria's TABCorp at \$3 billion. There is a clear difference.

After deducting the up-front payments proposed by the industry of \$60m from a sale price of \$80m, the effective sale price would have been \$20m. What wonderful negotiators members opposite are! That is the truth. Let us have some correct reporting from the Courier-Mail on this issue. Let us finally get the facts about what the real proposition and advice to the previous Government was and what the real advice to us was. In net terms, we could have had a sale price as low as \$20m. I would not agree to it, because it was not in the interests of this State. ABN-AMRO also advised the previous Government that, under the industry's proposed financial package, a public float would be all but impossible. On page 106, it stated—

"In order to be considered a realistic public float, the organisation needs to have a scale of at least \$100m."

In other words, the previous Government was going to deny the mums and dads an opportunity to buy into the TAB. That is what it was prepared to do. Let us have some absolute honesty about all of this. I have given the former Minister a copy of the letter to him from the Racing Industry Steering Committee in which it pointed out the \$2m success fee. In addition, \$1.2m was to be paid to the bank in consultancy fees. The industry told us that the former Minister had agreed to that. I am relying on what the industry tells me.

The bottom line is this: this was not a good deal. It was not in the interests of the TAB and the racing industry. It is about time we had some truth. I have now released the true figures for the people of Queensland to see. Let them make a judgment as to whether or not we should have accepted that proposition. I have given an undertaking that we will continue discussions with the industry, and we will do so.

Time expired.
