



Speech by

Hon. R. WELFORD

MEMBER FOR EVERTON

Hansard 10 November 1998

PRIVATISATION OF TAB

Hon. R. J. WELFORD (Everton—ALP) (Minister for Environment and Heritage and Minister for Natural Resources) (6.50 p.m.): One thing that this Government and the racing industry in Queensland have in common is this: a concern to ensure that the racing industry grows. We share the concern of the people of Queensland that, if the TAB is to be sold, Queensland should get a fair deal from that sale. The Government will ensure that that happens. Per capita TAB betting turnover in Queensland is about \$395 per person. In New South Wales, it is about \$601. That indicates that plenty of Queenslanders are betting on the New South Wales TAB. In Victoria, it is \$528. We want the Queensland TAB to have a betting turnover that enables it to also provide a pool of dividends and funds for the racing industry that would allow racing to grow in Queensland. However, we will not short-change the people of Queensland by giving the TAB away and doing backroom deals to fund consultants as the previous Government did.

If the TAB is to be sold, we would prefer it to be sold by a share float. If there is to be a share float, there has to be something in it for the investors, the mums and dads of Queensland who want to invest in the TAB. We know that in this State the TAB is an icon. We know that the TAB has a great deal of public support. That is why the Labor Party finds the sale of the TAB such a difficult issue. If we are to sell it, we want the people of Queensland who are going to invest in it to get a fair deal from the dividends of the TAB. We are not just going to hand it over wholesale to private enterprise, bank consultants and the industry without a fair deal for Queensland investors.

The deal that the industry wanted was not going to make such a float possible. That is what prevented the deal from proceeding. The Opposition needs to acknowledge that we are still prepared to negotiate. We are still prepared to progress the issue. In principle, we support the heads of agreement that the previous Government did a deal on. However, unlike members opposite, we will not hand over the TAB for nothing. We will not sell Queensland down the drain—like old dear Dr Watson did with the poker machines—and hand it over to the Victorian TAB. That is not what we will do. We will stand up for Queensland and for Queensland families who want to have a fair shake in the way the TAB is to be operated.

This process is about the welfare of the racing industry. The problems of the racing industry cannot be solved just by increased funding. We want the racing industry to get its house in order. The coalition never required that. They never got the deal sold. They never sorted it out. This Government wants the racing industry to get itself sorted out before it starts handing over the TAB. The racing industry is preparing a strategic plan. It commenced that process in January this year. Perhaps when we see that strategic plan we will see that it is able to make the adjustments that will make the industry more competitive. Then we will have a better chance of getting a deal resolved with them. However, we will not hand the TAB over without getting a fair shake for those people who are wanting to invest in it.

We have stuck by the substantial elements of the heads of agreement. We have agreed to give the financial boost of \$10m straight back to the TAB. We have agreed to forgo the debt of \$34m to provide a capital injection for its capital works. However, all that financial uplift was offered by the coalition without any expectation that the industry and the TAB would improve their performance as a result of privatisation. It requires a commercial focus. That is what we will require. Even a 2% increase in wagering turnover will result in a \$1.5m increase in the annual financial package available to the

industry. If it is to receive that increase in the financial package that is available to it, it has to improve its performance. We want to see a strategic plan put in place.

We will also require that, if the TAB is floated, we will get a fair shake for the shareholders and the dividends they require. They were never going to get that while we were being expected to fund the consultant for the industry to the tune of \$2m to tell us that we should sell our asset, the asset of Queenslanders. That is what the coalition was going to agree to. It was going to give the TAB away. The industry came to us and said, "That is what the Opposition has agreed to; you do it for us." We will not hand over the TAB holus-bolus without a guarantee that employment would be protected, that shareholders would be protected and that Queensland would benefit.

Time expired.
