



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 9 November 1999

MINISTERIAL STATEMENT

Bank of Queensland

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (10 a.m.), by leave: Yesterday, the Queensland Government honoured the previous coalition Government's undertaking given to the Reserve Bank in 1996 and announced the sell-down of the Government's stake in the Bank of Queensland. The sale has been welcomed by the bank's board and management as ending more than three years of uncertainty following the previous Government's Suncorp-Metway merger. That merger saw the Government assume ownership of the largest single shareholding bloc in the Bank of Queensland and promise the Reserve Bank that it would sell down its stake within three years.

The sale process we commenced yesterday preserves the bank's independence; it preserves 125 years of tradition for the Bank of Queensland as a strong, vibrant and independent Queensland financial institution. The Leader of the Opposition has suggested that we should have acted more quickly in relation to the Government's shareholding in the bank. We did take our time. We took our time making sure we got the right outcome at the right time.

Mr Borbidge interjected.

Mr HAMILL: We know that the Leader of the Opposition hates the Bank of Queensland, and the bank knows that, too. But we consulted the bank throughout the process. We sought the views of the board on how the sale of the Government's shareholding could best be completed within the long-term strategic framework the board had mapped out for the bank.

We could easily have disposed of our Bank of Queensland shareholding within weeks of coming to office. We could have done what the Leader of the Opposition would have liked to have done: sold out the bank to the highest bidder—no doubt a rival bank. Such a course of action may have even resulted in a higher sale price for the bank, but it would have also undoubtedly seen one of Queensland's proudest financial institutions disappear and, with it, hundreds of jobs and yet another Queensland head office.

The public offer of the Government's shareholding in the Bank of Queensland that I announced yesterday will see the ownership of the bank pass to where it belongs, that is, to thousands of private Queensland investors. Some 80% of the offer is earmarked for retail—or mum and dad investors. At the same time, the relatively small institutional component of the offering has been structured so that only long-term portfolio investors will be offered stock. The offer also includes special entitlements for existing Bank of Queensland shareholders and an attractive package for Bank of Queensland employees. In the event that the offer is oversubscribed, preference will be given to Queensland applicants.

Ultimately, the sale proceeds will go to paying back the debt that the previous Government incurred when it bought the Bank of Queensland stake from Suncorp-Metway. But this sale process is not about maximising profits. It is not about rationalising the Queensland financial services sector. It is about preserving a viable and energetic Queensland institution with more than a century of tradition. It is about preserving and growing career opportunities in the financial services sector for future generations of Queenslanders. It is about consultation and making the right decision at the right time, and making that decision in the long-term interests of all Queenslanders.