



Speech by

Hon. D. HAMILL

MEMBER FOR IPSWICH

Hansard 23 November 1999

MINISTERIAL STATEMENT

Queensland TAB

Hon. D. J. HAMILL (Ipswich—ALP) (Treasurer) (9.44 a.m.), by leave: This morning I would like to thank the Treasury officers, the joint lead managers and those who provided specialist advice, as well as the tens of thousands of Queensland investors who helped make the recent sale of the Queensland TAB such a success. The public float of the Queensland TAB was one of the smoothest and most successful public offerings of its size seen in Australia in recent years.

Since the shares listed on the Australian Stock Exchange on Tuesday last week, they have traded steadily at around the \$2.30 mark, closing last night at \$2.26. This trading range for TAB shares indicates that the sale of the Queensland TAB at \$2 a share for retail investors and \$2.10 a share for institutions and investors buying through stockbroking firms was well priced. It maximised the return for the taxpayers of Queensland whilst at the same time leaving a respectable premium for the tens of thousands of mum and dad investors who bought shares in the company.

In total, the Government raised some \$304m from the sale of the Queensland TAB, including payment of a special \$36m dividend to the State. Of this money raised, \$37m will go towards repaying racing industry debt and providing TAB Queensland with the capital necessary to guarantee its future as a strong and vibrant participant in Australia's increasingly competitive racing industry. In short, the sale has underwritten the future of an industry that is one of Queensland's most recognisable and indeed one of its largest employers. The remainder of the funds raised from the sale will be invested in vital infrastructure in Queensland, ensuring that all Queenslanders—not just those who bought shares—continue to benefit from the TAB sale for years to come.

The strong demand from investors for TAB shares saw the float close heavily oversubscribed. In all, we had more than 120,000 applications for just 65.4 million shares in the general pool. This oversubscription meant that we simply could not meet demand for TAB Queensland shares and were forced to scale back allocations. After an allocation process handled by leading accountancy firm PricewaterhouseCoopers, Queensland applicants were allocated 530 shares in the TAB, while other applicants received 465 shares. Compare this to the debacle in New South Wales when the New South Wales TAB was sold to the public. Demand was so great that applicants received just 257 shares each.

The bottom line is this: the sale of the Queensland TAB has recapitalised a racing industry that was under severe threat from competitive pressures from much larger privatised TABs in New South Wales and Victoria. That recapitalisation has guaranteed thousands of jobs in the Queensland racing industry. At the same time, the sale has created one of Queensland's major publicly listed companies with a market capitalisation of about \$300m and with interests in not only wagering but also gaming and sports betting. Such a sizeable company offers yet another choice for young Queenslanders looking for a career path in areas such as information technology, accounting and financial administration. The sale has also passed ownership of the Queensland TAB to where it belongs, and that is in the hands of Queensland investors.
