



Speech by

Dr DAVID WATSON

MEMBER FOR MOGGILL

Hansard 18 August 1999

TAB PRIVATISATION

Dr WATSON (Moggill—LP) (Leader of the Liberal Party) (6.02 p.m.): I move—

"That this Parliament expresses its concern at the conflict of interest arising out of the investments of Labor Holdings Pty Ltd and other Labor associated companies, calls on the Government to remove the State ALP Treasurer, Mr John Bird, from the board of the TAB and further calls on the Government to ensure that no Labor Party companies purchase shares in the TAB privatisation."

This debate is about the proper administration of Government. It is about ensuring that justice is not only done but also seen to be done. It is about ensuring that the sale of the TAB is not sullied by the same sorts of issues and suspicions associated with the Treasury Casino in 1992. The people of Queensland have every reason to be concerned about the clear potential for a serious conflict of interest arising from Mr Bird's presence on the TAB board. Mr Bird is the Queensland Labor Party's chief money manager. He is the State Treasurer of the ALP. He is a director of several Labor investment companies, including Labor Holdings.

Let me remind the House that Labor Holdings has already done very well out of Labor Government decisions. For example, it made a financial killing in 1992 when the former Goss Government issued the Treasury Casino licence to Jupiters, in which Labor Holdings was a major shareholder. The circumstances were tainted by significant procedural irregularities, which I raised in the House at the time. Although the Opposition was never able to unearth hard evidence of illegality or insider trading, the whole episode was clouded by the perception of preferential treatment. Nothing much has changed.

The net bet scandal has already shown that the Beattie Labor Government is incapable of differentiating between official business, party business, mates' business and funny business. There have to be grave doubts about the Government's decision appointing Mr Bird to the TAB board in the first place. At the time of last year's election, the former coalition Government's negotiations on the TAB's sale were all but complete. The incoming Premier and Minister were also committed to the sale from the outset, notwithstanding their prerogative to renegotiate the deal. They had no business appointing the ALP's State Treasurer and Labor company director to the TAB board in those circumstances. The Beattie Labor Government should have adopted the same standards set by the coalition. When we came to Government, we made sure that we appointed no office-bearers from our political parties to the boards of either Suncorp or the QIDC when they were being privatised. The TAB sale was always likely to proceed once the Premier and the Minister belted some sense into their Labor mates, and it was totally improper to create the glaring potential for a conflict of interest.

In addition to his involvement in Labor Holdings, Mr Bird is also a director of Labor Resources and Labor Enterprises, which own several other ALP companies. Those include New Labor, Labor Legacies and Texberg Pty Ltd. Honourable members will recall that I mentioned that company in last night's debate in relation to other issues. These are the same companies that fund Labor's election campaigns. The vested interest and the clear potential for conflict of interest extends right into the Cabinet room.

Mr Bird's fellow directors in Labor Incorporated include the ALP State President and the ALP State Secretary. They also include the heads of Labor's Left and Right factions, Ian McLean and Bill Ludwig. The Premier wants us to believe that Mr Bird will not have any access to confidential

documents. The Premier wants us to believe that Mr Bird will not be privy to any inside information. The Premier wants us to believe that Mr Bird is no better placed to make a commercial judgment about the TAB sale than ordinary mum and dad investors. Whom is he trying to kid?

The Premier also wants to believe that Mr Bird would never abuse his position of trust, even if he was privy to inside information. The Premier wants us to believe that Mr Bird would never yield to temptation or bow to pressure. The Premier wants us to believe that Mr Bird would never say a word to his Labor mates in Labor Incorporated. The Premier wants us to believe that Mr Bird would never divulge any tidbit of information—even inadvertently—which might deliver a commercial advantage to his Labor companies and Labor mates.

The Premier may be right. Mr Bird may be as pure as the driven snow, but how do we know? Mr Bird may be as virtuous as Mother Theresa, but where is the guarantee? All we have to go on are the Premier's empty assurances. This is the same Premier who has defended his stood down Treasurer to the hilt. This is the same Premier who wants us to believe that the member for Ipswich did nothing wrong in awarding a casino licence to his other Labor mates in Ipswich. This is the same Premier who wants us to believe that the Queensland Treasurer is just as trustworthy as the ALP State Treasurer; that both are above reproach.

I am sorry, but that does not inspire confidence. The fact is that Mr Bird has ready access to confidential documents and inside information. He also has ready access to the highest levels of Government, up to and including the Premier himself. The warning bells are ringing off the wall, but the Premier has both hands pressed firmly to his ears.

The people of Queensland should not be expected to accept such a situation on trust. We have already established that the Premier was a little careless with his own corporate affairs a few years back. We have already established that there was no declaration of the Premier's own directorships and shareholdings in the Members' Register of Pecuniary Interests. We have already established that the Premier's judgment is not infallible when it comes to the issue of Labor Treasurers. This is not the time to be taking him or any other ALP powerbroker on trust.

The Premier has made a lot of noise about appointing a probity auditor to ensure that the TAB sale is squeaky clean, but he will not do anything about Mr Bird. The Premier has already been compelled to write to the chairman of the TAB board demanding the highest standards of probity, but he will not apply them to himself. Mr Bird is a fly in the ointment and that will not change until he is removed from the board. It took us a few weeks to get the Premier to admit that it would be inappropriate for Labor companies to participate in the TAB float, and I welcome his recent backflip.

Mr Beattie: Do you realise what you just said—"A Bird being a fly in the ointment"?

Mr Foley: It's a mixed metaphor.

Dr WATSON: That members opposite took so long to catch on shows us how slow they are.

The problem is that the moratorium will last for only a few months and then the clear potential for a conflict of interest will be restored stronger than ever. Let us make no mistake about it. This Government wants Mr Bird on the board of a privatised TAB. There is no other plausible explanation for the Premier gritting his teeth and toughing it out now. This Government is in damage control. It is facing a crisis of public confidence because of Government favours for Labor mates. The last thing it needs is a bunfight over another Labor mate.

That is why the Premier has banned all Labor MPs and their families from buying shares in the float. That is why he has banned Labor advisers and Labor companies from buying shares in the float. So why is he digging in his heels over Mr Bird? The TAB is due to be floated within months. If that were to be the end of Mr Bird's association with the TAB, the Premier would remove him tomorrow. Why would he hang out against all the political flak for the sake of a few months? It does not make sense.

The new TAB board is likely to be very similar to the existing TAB board, at least until the first general meeting. The Premier is trying to ensure that Mr Bird has his foot in the door from day one. If Mr Bird can make the transition from the old board to the new board, he will be ideally placed to cement his position. He would then have access to highly confidential and even inside information. That information could be of enormous commercial value to Labor Incorporated. It would also confer a significant political advantage upon the Government, because it is these Labor companies which fund Labor's election campaigns.

That is why the Premier is prepared to wear the political heat now. It is all about some short-term pain for a long-term gain. This is a black and white, open and shut case. Mr Bird must be removed from the board. The Premier must apply the same kinds of standards that the coalition applied in Government when it privatised the QIDC and Suncorp. Today he introduced a Bill into the Parliament which replicated a lot of the clauses that were used in those mergers, and he made very pointed comments about that. He ought to adopt the same standards and make sure that there is no potential or perceived conflict of interest. He ought to remove Mr Bird from the board of the TAB.