



Speech by
**Mr DENVER
BEANLAND**

MEMBER FOR INDOOROOPILLY

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TAB QUEENSLAND LIMITED PRIVATISATION BILL

Mr BEANLAND (Indooroopilly—LP) (12.44 p.m.): Firstly, I welcome this legislation into the Parliament. As I said earlier today in this place, it is long overdue. It is legislation that has a great bearing on one of the major industries of this State and jobs, jobs, jobs. If we were interested in jobs in this State, this legislation would have been introduced into this place a lot, lot sooner.

Although I welcome this legislation, I think that it is a great pity that it is not in the form in which it was negotiated with the industry by the former Government and the former Racing Minister, the Honourable Russell Cooper. The arrangements that have now been reached with the industry are far less beneficial to it than were the former arrangements. I say that because the industry will not receive some of the benefits. Instead, the Government coffers will receive those benefits. Some people might think that that is a great idea; nevertheless, it is to the detriment of the long-term benefit of the industry. Because of that, the industry is paying a substantial price.

I think that it is very unfortunate that, in order to balance its Budget, Labor has put its interest before that of the industry. At the end of the day, we have to look at the people who work in this industry and the competition that it faces. I am talking about competition not only from gambling but also from other areas of racing, particularly racing in New South Wales and Victoria. For example, according to the figures, Queensland's TAB will be less than 25% of the size of the TAB of New South Wales or Victoria. Therefore, it will be placed at a substantial disadvantage because it will not be able to compete on a broader scale. The TAB is also under immense pressure from other forms of gambling, particularly in this State. One only has to look at the range of gambling that is available and the way in which those options are growing. I will not start on Internet betting, but that is just another area that will place more and more pressure on the TAB and other avenues of gambling generally.

Gambling is a growth industry. It has taken money out of a number of areas of business, particularly small business which, in the past few years, has suffered a great deal because of the gambling rush. That cannot be denied. One only has to look around the State to see the way in which small business has been hurt from the gambling rush. Nevertheless, the TAB itself has suffered from other forms of gambling and it is going to suffer more. Therefore, to ensure that the TAB functions effectively, we have to look after the racing industry, because that is primarily what the TAB is about. It is unfortunate that because of the Government's need to boost its coffers, the industry suffers through this legislation. Obviously, the more money that the Government can get from floating the TAB on the stock exchange, the more beneficial it is going to be to its coffers and it will be able to spend that money elsewhere. As I say, in the long term that will hurt the industry.

Of course, on that point I am reminded of the criticism levelled at the former Government with the Suncorp-Metway float. However, because of the way in which the former Treasurer, John Sheldon, handled it and the way in which the industry proceeded, it has turned out to be a wonderful success. I cannot help commenting on the fact that yesterday Suncorp-Metway yet again announced record results. I mention that because I remember how much opposition there was to it from the Labor Party, particularly by the then Leader of the Opposition and the then shadow Treasurer. The fact that Suncorp-Metway has gone on to be such a great success is a hallmark of the former Government.

However, because Suncorp-Metway was successful, we should not think automatically that the privatisation of the TAB is going to achieve the same success. This is a different type of enterprise altogether that will be floated in a different stock market environment. We have to look particularly at the type of enterprise it is and the type of competition that it is going to face from the TABs in New South Wales and Victoria. Of course, it could face competition also from overseas as well as Internet gambling.

It is very disappointing that no preference in the allocation of shares is given to Queenslanders, particularly to owners, trainers, jockeys and others who are involved in the industry. If Queenslanders received preference, they would get a much better deal. I notice that a cornerstone investor is provided for within the legislation. We will wait to see what that will mean, but to date no indication has been given as to who that might be or what effect it might have. Will it be a body already involved in the industry, such as the New South Wales or Victorian TABs, or another group involved in the broader gambling industry? Will it be a group from Queensland, interstate or overseas, bearing in mind the depth and breadth of gambling these days? No indication has been given as to exactly what that provision will mean. The Government has seen fit to put that clause in the Bill, but has made no reference to any preference being given to Queenslanders. As I have said, that is a disappointment to the people who form the backbone of the industry—the owners, trainers, jockeys and those who run the clubs. The people involved in the racing clubs give a lot of their own free time to run the clubs. The legislation makes no mention of the gains that should flow to those people.

It is worth while noting that the minimum prize money at Queensland metropolitan tracks is approximately 50% less than that offered by New South Wales and Victorian tracks. That is very disappointing. That situation will not be assisted by this TAB privatisation legislation, which has been devised in the interests of getting a bigger return for the Government coffers. At the end of the day, if we are to ensure that there is a viable racing industry in Queensland, we must ensure that the prize money is adequate. We need prize money that will attract owners, trainers and jockeys to the State, because they are the backbone of the industry. The racing industry is the fourth largest industry in the State. Therefore, it is terribly important that we support it where necessary. Under this legislation, the industry does not get the support that it needs.

As I have said, the Government renegotiated the package that the former Government and former Minister, Russell Cooper, had agreed with the industry. Because of that, the industry has taken a step backwards. The industry decided to accept this package because, at the end of the day, it realised that it was better than nothing and that, indeed, the Government could easily have made the situation even worse. It is a worry that the industry has been forced to accept a third-rate arrangement, instead of what would have been a first-rate outcome for the industry had the former Government's proposal proceeded.

While I have mentioned that the average minimum prize money offered in Queensland is less than the average minimum prize money offered in Sydney and Melbourne, I also note that prize money throughout Queensland generally is considerably less than that offered in other States. It is for that reason that we are not attracting the numbers of wonderful horses that we used to attract to the State. Without good horses, people will not go to the track and they will not invest in the Queensland TAB. With competition today being what it is, it is very easy for people to drift off to the New South Wales and Victorian TABs, which have larger pools and so on.

I have already referred to the metropolitan clubs, and, indeed, one or two previous speakers have also referred to the point that I wish to make. Brisbane's two metropolitan clubs produce approximately 66% of the betting revenue on the TAB in Queensland. Unfortunately, those facilities have not been kept up to scratch. The clubs themselves want to do more, but they are not given the Government support that they need. As the facilities get tired, it makes it even more difficult to attract people to the tracks, which has a multiplier effect.

The Government must do more for the Queensland Turf Club track at Eagle Farm, which is generally recognised as the headquarters of racing in this State, and the Brisbane Turf Club track at Doomben. They are both excellent tracks, but the clubs certainly need the support of the Government. While the Government takes money out the TAB system, it needs to provide more support to the race clubs—particularly those two metropolitan clubs—than it has in recent times. Those clubs are becoming poor relations to interstate clubs and, indeed, poor relations to some of the other tracks in Queensland. If we are to ensure that the industry remains viable—and the cornerstone of the industry is certainly those two metropolitan clubs—then more support has to be forthcoming from the Government.

When introducing the Bill, the Premier made reference to the fact that Cabinet has endorsed a policy under which Ministers and other Government members of the Legislative Assembly, ministerial staff members and their associates, as well as public servants and advisers involved in the TAB Queensland sale, will be precluded from any participation in the offer. I am not sure what the Premier is trying to get at there, but obviously he has been bitten by the Internet betting scandal and does not

want such a thing to occur again. Of course, only members of Government—the Executive, Ministers of the Crown—can effect this sale and benefit from the details of it. Certainly Opposition members are treated in the same way as all other members of the public, which is as it should be. I am not suggesting for a moment that members of the Parliament should be treated as anything other than normal members of the public. Perhaps the Premier thinks that inside deals will be done or that there will be a great rush for shares.

I caution people against thinking that the privatisation of the TAB will be the same sort of windfall that the Suncorp-Metway merger has turned out to be. It is a different type of enterprise that is being undertaken in an altogether different environment. The racing and gambling industries are under immense pressures across-the-board, unlike the finance industry. Suncorp-Metway was a very big competitor, particularly in Queensland where it had a large market.

I can see no mention in the Bill of the Australian Labor Party and its various undertakings, which is terribly important with political parties, particularly the Australian Labor Party. If there is a benefit involved for the party, it will come from the TAB. We have talked before about a certain member of the board of the TAB in Queensland and we have talked about the State Treasurer of the Australian Labor Party, Mr Bird—they are one and the same person. Therefore, if any benefits flow to the Australian Labor Party, they will flow because of the connection between the TAB and the Australian Labor Party. They will not flow to backbench members of this House. I doubt very much that many members will apply for shares, although that remains to be seen. However, I caution members against thinking that they will get some windfall, because the TAB has been sucked dry in order to prop up the Government coffers this financial year.

It is sad to think that the Government will float the TAB under these circumstances when we could have had a much better arrangement. This is a very intense and competitive industry and, although reference is made to the head office, Queenslanders will receive no preference in the allocation of shares. The industry will not be a major winner as a result of the arrangement that has finally been arrived at, which surely should have been what the process was all about.

Of course, privatisation will bring some benefits and we hope that it will ensure the long-term security of jobs and the long-term viability of the TAB in Queensland. In view of the hour, I conclude my remarks by saying that despite all of the politics involved in the sale of the TAB, at least the industry now knows that the privatisation will go forward and it should proceed over the next couple of months. At least the industry will have some certainty, whatever that certainty might be, through the sale of this organisation.
