



Speech by

Mrs LIZ CUNNINGHAM

MEMBER FOR GLADSTONE

Hansard 27 August 1999

TAB QUEENSLAND LIMITED PRIVATISATION BILL

Mrs LIZ CUNNINGHAM (Gladstone—IND) (2.41 p.m.): I rise to speak to the TAB Queensland Limited Privatisation Bill, having put on the record on a number of occasions my position regarding privatisation. That has not changed. There are, I guess, two opinions in my electorate: some support the privatisation of the TAB and some do not. I guess that should be put on the record.

No adequate explanation has ever been given to me as to why Governments are unable to run an organisation as competitively as those in the private sector. In the Premier's second-reading speech, he talked about privatisation as a critical element of structural reform that assists in improving TABQ's competitive position, vis-a-vis the other privatised TABs in New South Wales and Victoria. I do not believe that it is possible to compare our TAB with those of the other States. Victoria's TAB includes quite a number of other gaming elements and the New South Wales TAB is also different from TAB Queensland. So even in a privatised form, one could question whether it would be fair to compare the results of TAB Queensland with the results of the TABs in other States, because each of them has various benefits and disadvantages.

I retain an opposition in principle to asset sell-off, although I understand from previous speakers that some would not regard the TAB as a strategic or critical asset—not that it is unimportant in the role that it plays in Queensland but that as a Government asset it could be regarded as non-critical.

In regard to the value of the TAB, I would like to read a letter to the editor written by Jack Saunders. It appeared in the Courier-Mail and is on the public record. He says—

"Unlike the writer of your editorial 'TAB sale decision a winner' ... 'rationalisation' is not a word I can readily apply to the Government's decision to privatise the Queensland TAB.

The editorial says the TAB soon will need an injection of Government money because of unfair competition from those big, mean privatised TABs in New South Wales and Victoria.

Is privatisation going to stop that competition? And if the future of the TAB is so bleak, how come there is such a long list of stockbrokers queuing up for a slice of the \$200 million privatisation? They are expected to take home between \$5 million and \$10 million in fees. The mums and dads of Queensland are going to get a slice of the action and expect their shares to increase in value as projected profits flow in.

For a horse that is supposed to be so sick and in need of a good dose of privatisation, the TAB suddenly looms as a great milking cow."

I have to agree in great measure with the comments that he has made. TAB Chief Executive Dick McIlwain said also in relation to the privatisation—

"We're just doing what any business would do. We're developing the potential of this business without all the things that inhibited us in the past."

Again, I pose the question: why can Governments not run businesses, such as the TAB, as economically as the private sector does?

I also wanted to comment on the change in the attitude of the ASU. I will make some comments on staffing a bit later on. Perhaps this is better expressed as the lack of public outcry at the privatisation. However, there has been a public outcry. I have had a few meetings with Janice Mayes.

They have been very concerned about the privatisation, and it is disappointing that comment is not being made on that element. But, as I said, I will make some further comments on that later on.

The purpose of this privatisation, in part, was to give the mums and dads of Queensland—the people of Queensland—a chance to be the winners. I can remember a similar comment being made about the privatisation of Telstra. Telstra just recorded a \$3 billion profit—a record profit. It was a Government instrumentality; privatisation was not only going to enable it to be competitive, it was going to enable it to be better run. Rural people were not going to be disadvantaged, we were told, yet those of us in rural Queensland are fighting for single phone boxes to be retained in places such as Ubobo, Canoe Point and Mount Larcom—

Mr Seeney: And Goovigen.

Mrs LIZ CUNNINGHAM:—and Goovigen so that rural residents have access to a phone not just for conversation and social contact but for safety. Yet Telstra's sale was not going to disadvantage the rural sector; it was going to make the people the winners. Here we are and again those of us in rural electorates are fighting; we have to be constantly vigilant, because they stick these signs up in telephone boxes saying that they are considering closing the box down because it is not viable. The rural community needs and deserves a better deal.

I think that the same thing is going to occur once the TAB is privatised. The debate in the Chamber so far today has done little to give me any confidence that rural Queensland racetracks will not be disadvantaged. The member for Toowoomba North said that \$7m will be lost to the racing industry when the Sky Channel agreement expires. How is the money going to be made up? Where is the money going to come from? Is it going to be made up and, if it is not going to be made up, is it going to be withdrawn, or are the country racing clubs the ones that are going to be directly affected? They are already disadvantaged because of their distance from south-east Queensland, yet they are no less important in the employment structure; they are no less important in the recreational structure; they are no less important to trainers and owners of horses in the regions.

Another comment that was made was that, of the 109 developmental clubs, 67 rural clubs looked like having to close. Again, what guarantees are there? The member for Crows Nest said that the QPC has been extended the power to close clubs that do not comply with its directions. I bet it will not be south-east Queensland clubs that will be closed; it will be rural clubs, it will be regional clubs. It will be the Calliope Shire clubs, which have a couple of race meetings a year, or it will be the Gladstone Turf Club. That club has been struggling to be upgraded from developmental to strategic status to improve its prize money; it has been struggling to get support for relocation, and it has a very defensible case for relocation. Will Gladstone be one of the 67 developmental clubs that will get the axe? I think our punters would like to know at the end of the debate rather than after the axe falls.

The Bill talks about cornerstone shareholders. I notice that a press release from the Premier earlier last week stated—

"Mr Beattie said that State Cabinet had decided not to proceed with a 'cornerstone investor' prior to the TAB float."

I believe his reasons for that were to give ordinary Queenslanders a greater opportunity to invest in the TAB. But it would be interesting to know if there are any other reasons why that proposal has diminished in importance. The Bill refers to a maximum shareholding of 10% for a period of five years, with the exception of a cornerstone investor, which will be entitled to 20% but for the same period.

When I was first briefed on the privatisation of the TAB, there was going to be a protection of regional racetracks for five years. I get back to this point because I believe that those of us from regional areas will be back in here fighting like crazy to keep our regional racetracks open. The coalition in Government was going to have a five-year protection for rural racetracks so that none of them could be closed in that period. There is no such protection in this Bill.

I would be interested in a comment from the Premier about how he will ensure that rural race clubs are not disadvantaged by this proposal. The Premier's voting body may be in south-east Queensland, but central Queensland, northern Queensland and western Queensland deserve some protection. I would like to know how that protection will be achieved. I note in the Bill that when directors are being appointed to the board, the Governor in Council must have regard to the person's ability to make a contribution to TAB Queensland's commercial performance.

Queensland is a diversified State. The reason rural Queensland has survived in the way that it has is that urban Queensland has for many years recognised the interdependence that exists between urban and rural and that cross-subsidisation occurs right across-the-board. That recognition is not spelt out in this Bill, yet we are dealing with an industry that employs many people in rural Queensland. I am not a punter—I go to the races when I am invited—but I can see that a huge amount of employment is dependent on the rural racetracks and the rural racing industry. That includes people who look after livestock, people who sell fodder, people who sell grain and so on. All of these hidden employment

opportunities are at risk because no protection has been given. If anything, they are further exposed, particularly in light of the obligation on the directors to be commercial.

I move on to the issue of staffing. The Suncorp-Metway merger was referred to earlier. That is an issue that is still fairly provocative. It was said that when Suncorp-Metway merged people's jobs would be protected. Time showed that statement to be incorrect. Jobs were not maintained not only in the regions but also across-the-board. I was given different information.

I spoke with Janice Mayes about the staffing provisions in this Bill. They are not the same as in the Suncorp-Metway legislation. The major protection is preservation of the conditions of employees who transfer from the current structure to the privatised TAB and the availability of redundancy packages for full-time as well as part-time employees. A concern of the unions and of people working in the industry is that once the privatisation occurs there is no way those jobs can be protected. Even if it were placed in legislation that things could not occur, once the organisation is privatised, that is it.

In the future, if the shareholders agreed that staffing had to be rationalised—if it were even put to shareholders, because that would be a senior management decision—after they looked at the profit margin and saw it increasing with the rationalisation of staff, this Bill would have no effect. The protection of people working in TAB Queensland, which was the concern of the ASU, has reduced significantly. These employees do have a greater protection than those affected by the Suncorp-Metway legislation, but once the TAB is privatised a great deal of that protection is removed.

It was put to me that as a corporatised entity not a great deal of influence could be had on staffing levels. I disagree with that. While ever there is a possibility of this Parliament affecting a structure, there can be influence. People can have a say through this Chamber. Once an organisation is privatised, the people of this Chamber, the representatives of the State, do not have a say in it. The employees will be at the mercy of the new structure of the privatised company.

Mr Mickel: What is your argument? Leave it as it is?

Mrs LIZ CUNNINGHAM: I cannot argue that. The greater majority of the people here have indicated that they support the sale of the TAB. I said that there is a question that I have not had answered, that is, why Government cannot run businesses efficiently. We sell them off so that the private sector can run them efficiently. The core question is: why can we not run them more efficiently?

I note that the headquarters will remain in Queensland. There is still a question about the constitutional implications of that proposal. That provision is in this Bill, as it was in the Suncorp-Metway legislation, and I believe that the officers have responded to that, although the Chamber has not received the response from the Minister. I thank the officers who were made available to us for briefings. I appreciate the information that they passed on. If it is shown that, constitutionally, the headquarters cannot remain in Queensland, how will that problem be addressed?

There is a great deal of opinion about and support for this legislation across the State. A racetrack in my electorate has been struggling for a number of years to get support to relocate and to develop its facilities to improve racing for Gladstone, Calliope and the hinterland. We have been unable to achieve that support. This privatisation will either benefit them or sound their death knell, as will be the case for many rural racetracks. I certainly hope that this Chamber does not support anything that will in the long term disadvantage rural Queensland, which deserves a fair go.
