



Legislative Assembly

Totalizator Agency Board Privatisation Amendment Bill

18/09/2002

Hansard

Extract

Second Reading

Mr FACE (Charlestown-Minister for Gaming and Racing, and Minister Assisting the Premier on Hunter Development) [7.33 p.m.]: I move:

That this bill be now read a second time.

The object of this legislation is to amend the Totalizator Agency Board Privatisation Act 1997, the Totalizator Act 1997, and related legislation to increase from 5 per cent to 10 per cent the maximum number of voting shares that a person can hold in TAB Limited. The 5 per cent shareholding limitation was adopted at the time of the privatisation of the TAB as part of the Government's policy to ensure that TAB shares were widely held, and to prevent any individual shareholder or group of shareholders from obtaining control or a significant influence over TAB Limited.

Since then the market has changed. It is considered that the proposed amendment to the shareholding limit will most likely see institutional investors-both domestic and offshore-increase their holdings of TAB Limited shares. Increased interest from investors will add to the liquidity of TAB Limited shares in the market and their attractiveness to investors, particularly larger institutional investors. This has the potential to increase the value of TAB Limited shares for all shareholders. The legislation has adequate safeguards to ensure that individual investors are not adversely affected.

There are sufficient controls within the existing legislation and the TAB constitution to prevent persons from exerting undue influence on the TAB. The increase in the limitation to 10 per cent does not allow an outside party to acquire a controlling interest in the TAB. The proposed amendments are in line with recent and expected changes to shareholding limitations in other States. In July the Victorian Government passed legislation to increase the individual shareholding limit in TABCORP from 5 per cent to 10 per cent and eliminated foreign shareholding restrictions. The Queensland Government has legislated a similar change to the Jupiters Casino shareholder limitations, while the Western Australian Government is believed to be considering an increase in the shareholding limitations of the Burswood Casino to 10 per cent. The proposed amendments are aimed at enhancing TAB Limited's attractiveness in the share market and, in turn, at providing the potential for both small and large shareholders to benefit. I commend the bill to the House.