



Legislative Council

Totalizator Agency Board Privatisation Amendment Bill

Hansard - Extract

23/10/2002

Second Reading

The Hon. JOHN DELLA BOSCA (Special Minister of State, Minister for Industrial Relations, Assistant Treasurer, Minister Assisting the Premier on Public Sector Management, and Minister Assisting the Premier for the Central Coast) [9.40 p.m.]: I move:

That this bill be now read a second time.

The second reading speech has already been delivered in the Legislative Assembly. As it is lengthy, I seek leave to incorporate it in *Hansard*.

Leave not granted.

The object of this legislation is to amend the Totalizator Agency Board Privatisation Act 1997, the Totalizator Act 1997 and related legislation to increase the limit for a person to hold voting shares in TAB Ltd from 5 per cent to 10 per cent. 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 Ltd. 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 Ltd shares. Increased interest from investors will add to the liquidity of TAB Ltd shares in the market and their attractiveness to investors, particularly larger, institutional investors. This has the potential to increase the value of TAB Ltd 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 Ltd's attractiveness in the share market and, in turn, providing the potential for both small and large shareholders to benefit. I commend the bill to the House.