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## **Submission**

**House of Assembly Select Committee on the performance,  
governance, and ownership structure of Government businesses**

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**Per Jessica Munday, Secretary  
Unions Tasmania  
212 Liverpool Street, Hobart**

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## About Unions Tasmania

1. Unions Tasmania has a long and proud history of advocating for working people in Tasmania. Initially established as the Trades and Labor Council of Hobart in 1883, and now operating as Unions Tasmania, there is no other Tasmanian peak body dedicated to giving a voice to working people. For over 140 years, Unions Tasmania has been advocating for the improvement of wages, conditions, safety and living standards for working Tasmanians and their families.
2. Unions Tasmania represents our affiliate unions who comprise approximately 50,000 members across our state. We represent workers across industry, in the private and public sector, in workplaces large and small. Unions Tasmania is also the local branch of the Australian Council of Trade Unions (ACTU).

## Introduction

3. Unions Tasmania welcomes the opportunity to make a submission to the House of Assembly Select Committee on the performance, governance and ownership structure of Government businesses. There are two open-ended questions that are broad in nature being contemplated by the Committee:
  - (i) the Tasmanian Government's plans to sell government businesses and other entities, and the potential impacts including on employees;
  - (ii) the current performance of Government businesses, including governance, financial outcomes, capital delivery and their contribution to Tasmania's broader economic objectives; and (iii) any other matters incidental thereto.
4. Unions Tasmania intends to comment on both questions, but the substance of our response will go to part (i) given the performance of each individual GBE and SOC is different given their role, purpose, funding, and governance arrangements. In addition to this submission, Unions Tasmania supports the points put forward in submissions being made to this inquiry by our affiliate unions, which further detail considerations for their sectors.

## Background

5. The Tasmanian Liberals were re-elected for a fourth term March in 2024 in a minority Parliament. Their election platform – '2030 Strong Plan for Tasmania's Future'<sup>1</sup> – included many policy announcements, but none involved the privatisation of our government businesses. Unions, and indeed the broader community, were therefore shocked when, in November 2024, the Government put out a draft plan to review the entire government business portfolio including 'assessing whether public ownership remains appropriate and is seeking to identify any businesses which should be divested or restructured.'

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<sup>1</sup> '2030 Strong Plan for Tasmania's Future' accessed 26 May 2025: <https://tas.liberal.org.au/our-policies>

6. Unions Tasmania made a submission to this draft proposal at the time which can be found [here](#)<sup>2</sup>. In short, we supported a range of governance reforms to uplift the performance of Government businesses but expressed our strong opposition to the prospect of privatising Tasmanian government businesses and to merging TasPorts, TT-Line, and TasRail. Unions Tasmania was concerned that the Draft Plan was released in a political environment where the Government was needing to deflect criticism of its significant role in the Spirits mishandling, while looking for justification to sell off some of Tasmania's publicly owned businesses to plug holes in a budget they have failed to manage. Tasmania's GBEs and SOCs are too important to be used as cover to fix a political problem.
7. Unions Tasmania welcome the Tasmanian Government's announcement in the 2025-26 Budget that it has abandoned the idea of merging TasPorts, TT-Line, and TasRail. This plan was a solution to a question that nobody asked, it was supported by no stakeholders and indeed the whole exercise has proven to be a waste of effort and public funds, merely adding to the ballooning costs associated with Spirit of Tasmania project overruns and Berth 3 infrastructure delays.
8. Unions Tasmania also welcomes the Tasmanian Government's announcement that it does not intend to sell off several public entities including:
  - I. Port Arthur Historic Site Management Authority
  - II. TASCORP
  - III. Tasracing
  - IV. TasRail
  - V. Entura
  - VI. The Public Trustee
  - VII. TT Line
9. However, we remain strongly opposed to the Tasmanian Government's intended 2,500 job cuts, to the sale of the remaining GBEs and SOCs in the government's sights, and to the sale of any government departments or functions within the Tasmanian State Service, noting that the Treasurer has identified several in this year's State Budget:
  - I. Sustainable Timber Tasmania
  - II. Motor Accidents Insurance Board
  - III. Aurora Energy
  - IV. Metro Tasmania
  - V. Tasmanian Irrigation
  - VI. TasNetworks
  - VII. TasPorts
  - VIII. Land Titles Office
  - IX. The historic Treasury Building

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<sup>2</sup> Government Business Governance Reform, November 2024, accessed 25 May 2025: <https://www.unionstas.com.au/media/yatbuv2q/ut-submission-government-business-governance-reform.pdf>

10. Unions Tasmania has suggested a principles-based approach for the Government's ownership of businesses. We suggest that where any of the following circumstances arise, there should be public ownership and ministerial accountability:
- I. Where an essential service is necessary for sustaining human life
  - II. Where a natural monopoly or duopoly exists
  - III. Where universal access to a free or affordable service to the community may be put at risk by private ownership
  - IV. To protect Tasmania's natural and unique heritage for future generations
11. The question of public ownership is not just an economic question. Our government businesses have a social aspect, and many of them have community service obligations (for example, privatised business will either cease these community service obligations or require government funding at levels that include a profit margin).
12. Natural monopolies are open to exploitation when in the control of the private sector. In the absence of public ownership, private corporations are free to price upwards, drive services down, not invest in necessary infrastructure, and sack workers.

## Australia's history of privatisation

13. For the better part of the 20<sup>th</sup> century, the Australian people used their collective wealth to build a society based on publicly owned services and infrastructure. Australians built schools, hospitals, banks, electricity networks and more. Modern Australia and many things we take for granted were built on the back of the principle that everyone deserved access to certain services and infrastructure and should be masters of their own destiny through public ownership.
14. A global trend emerged, however, emerged from the 1980s that were driven by neoliberal economic policies that contended the private sector was more efficient or that competition would lead to more innovation, better services, and most cost-effective service delivery. Australia's lived experience categorically refutes these assumptions. We will examine the privatisation of some of Australia's most recognisable privatisations to demonstrate the point.
15. The progressive sale of the **Commonwealth Bank of Australia** (CBA) from 1991 to 1996 was Australia's largest finance sector privatisation and considered the beginning of a wave of privatisations across the nation<sup>3</sup>. Now operating as one of the 'Big 4' and generating incredible profit, in the decades that followed the CBA's privatisation, many regional bank branches closed because they did not return enough profit<sup>4</sup>, leaving Australians in the bush, or even 30 minutes out of a capital city, without direct access to

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<sup>3</sup> Reserve Bank of Australia, 1997, Bulletin December 1997: Privatisation in Australia, accessed 30 May 2025: <https://www.rba.gov.au/publications/bulletin/1997/dec/2.html#:~:text=Privatisations%20have%20also%20contributed%20to,funded%20by%20loans%20from%20banks>.

<sup>4</sup> Anaf, J., Freeman, T. & Baum, F., 2024, Privatisation of government services in Australia: what is known about health and equity impacts. *Global Health* 20, 32, accessed 30 May 2025: <https://doi.org/10.1186/s12992-024-01036-w>

this crucial service that is necessary for everyday living and economic participation. Costs for Australian bank account holders continue to rise and in recent years the CBA has been involved in numerous scandals impacting workers, customers, and the bank's reputation, including wage theft, financial planning misconduct, and money laundering violations.

16. **Qantas'** privatisation, which began with a partial sale in 1993 and was completed in 1995, was touted as improving the airline's commercial efficiency, but it's descent into work rights scandal and community deceit are well documented. As a private company, Qantas shifted from public service to a profit motive from the get-go, with successive Productivity Commission and Australian Competition and Consumer Commission reports highlighting problems that are difficult to address with the airline no longer in public hands, like cutting the less profitable services that once kept regional and remote Australians connected, raising fares to further put travel out of reach of Australians, in an extremely concentrated market and even selling ghost tickets to non-existing flights<sup>5</sup>.
17. Unions, not government, exposed Qantas for the illegal, mass sacking of 1,800 workers, forced to wage a lengthy campaign for justice through the court system after being shunted into insecure labour hire, exposed to wage theft and subjected to unsafe work practices<sup>6</sup>. Last year's Inquiry into price gouging and unfair pricing practices, chaired by Professor Alan Fels AO, found that Qantas dominates the aviation duopoly in Australia, and 'there is price-gouging by Qantas' (p8)<sup>7</sup>.
18. **Telstra** was once a proud public utility, built and maintained with taxpayer investment to ensure every Australian — city or bush — had access to reliable telecommunications. In the late 1990s however, the federal government began selling it off in stages. First came T1 in 1997, then T2 in 1999, and finally T3 in 2006, when Telstra became fully privatised<sup>8</sup>. While a small proportion of shares were retained in the Future Fund — Australia's sovereign wealth fund<sup>9</sup> — Telstra's governance and priorities shifted firmly into private hands.
19. Thousands of jobs were cut and replaced with insecure contract and outsourced work. Meanwhile, essential services in regional and remote Australia deteriorated — with dropped calls, unreliable internet, and communication blackspots creating safety risks.

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<sup>5</sup> ACCC, 8 October 2024, Media release - Federal Court orders Qantas to pay \$100m in penalties for misleading consumers, accessed 29 May 2025: <https://www.accc.gov.au/media-release/federal-court-orders-qantas-to-pay-100m-in-penalties-for-misleading-consumers>

<sup>6</sup> Examiner Newspaper, 21 May 2025, Qantas makes mercy plea for illegal sackings 'mistake', accessed 29 May 2025: <https://www.examiner.com.au/story/8972884/qantas-makes-mercy-plea-for-illegal-sackings-mistake>

<sup>7</sup> Australian Council of Trade Unions, February 2024, Inquiry into price gouging and unfair pricing practices: Final Report, accessed 29 May 2025: [https://www.actu.org.au/wp-content/uploads/2024/02/InquiryIntoPriceGouging\\_Report\\_web9-1.pdf](https://www.actu.org.au/wp-content/uploads/2024/02/InquiryIntoPriceGouging_Report_web9-1.pdf)

<sup>8</sup> Parliament of Australia, 2003, Telstra Sale: Background and Chronology, accessed 30 May 2025: [https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/5NFA6/upload\\_binary/5NFA6.pdf;fileType=application%2Fpdf#search=%22library/prspub/5NFA6%22](https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/5NFA6/upload_binary/5NFA6.pdf;fileType=application%2Fpdf#search=%22library/prspub/5NFA6%22)

<sup>9</sup> Future Fund website, About us, accessed 30 May 2025: <https://www.futurefund.gov.au>

These problems persist today, with communities continuing to struggle for basic access while Telstra restructures to maximise shareholder returns. The public, who originally paid to build the network, have been left paying the price for privatisation's failures.

20. Established decades earlier as a public entity, **Medibank Private** was a dominant health fund before it was sold off to private interests in 2014, employing 4,000 Australians to service 3.8 million policy holders, and generating substantial dividends of up to half a billion dollars for the public, annually<sup>10</sup>. The now private fund remains the largest player in the Australian market, but jobs have declined<sup>11</sup>. With the loss of government oversight due to being sold off, Medibank has now become just another in the pack of health funds raising prices above inflation, tricking customers into paying more<sup>12</sup>, and delivering profit to private interests instead of returning dividends to the public.
21. These were some of Australia's most trusted and iconic organisations, that once provided long and rewarding careers and put service to the community at the core of their purpose, privatised. This has resulted, over time, in thousands of jobs slashed, service standards decline, access in regional Australia limited, wages and conditions going backwards, and some workers who now take their uniforms off in public because the community response to their employer is so negative. This is not a pathway Tasmania should wish to emulate.

## Tasmania's privatisation experience

22. Tasmania has had a disastrous experience with privatised rail freight services. The Australian National Railways Commission operated the Tasmanian railway until it was privatised in 1997. Its Tasmanian assets were sold to the Australian Transport Network and later, Pacific National Pty Ltd. Following the sale to Pacific National in 2005, the company threatened to withdraw all services from the state unless they were granted a sizeable government subsidy. Despite initially refusing, both the Tasmanian and Commonwealth Government's did end up jointly funding a bailout package costing \$120 million. The private operator so poorly neglected rail infrastructure that derailments were, at one point, occurring approximately every fortnight. In 2007, the Tasmanian and Commonwealth Government's agreed to buy back the infrastructure with Pacific National agreeing to provide 'above-track' freight services.
23. This didn't last long though, and in 2009, the Tasmanian Government agreed to had to buy back our rail service at a cost of \$32 million. It has been operating as TasRail ever since.

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<sup>10</sup> ABC News article, 26 March 2014, Medibank Private: Government announces sale through IPO, subject to market conditions, accessed 29 May 2025: <https://www.abc.net.au/news/2014-03-26/government-announces-sale-of-medibank-private/5347136>

<sup>11</sup> Medibank website, Quick Facts, accessed 29 May 2025: <https://www.medibank.com.au/livebetter/newsroom/classification/quick-facts>

<sup>12</sup> Australian Competition and Consumer Commission, Medibank to pay \$5 million in penalties for misrepresentations to members about benefits, 16 July 2020, accessed 29 May 2025: <https://www.accc.gov.au/media-release/medibank-to-pay-5-million-in-penalties-for-misrepresentations-to-members-about-benefits>

24. While not a direct privatisation, the closure of the privately operated hospital St Helens Hospital in 2023 highlights the challenges of relying on private health entities for essential services.
25. The shutdown has left a significant gap in inpatient mental health care, and the loss of the state's only dedicated mother and baby unit. At the end of 2024, only three public beds had been opened to replace the 39<sup>13</sup> lost.
26. Tasmanians are watching another privatisation failure playing out in real time with the operator of the Hobart Private Hospital, Healthscope, first cancelling maternity services, and now going into receivership, jeopardising the treatment of some 20,000 Tasmanians annually and putting 600 jobs at risk<sup>14</sup>.
27. The examples should serve as a stark warning to the Tasmanian Government that they privatise services at their peril, and at the expense of the Tasmanian community.

## Privatisation under the Tasmanian Liberal Government

28. Unions have been sounding the alarm on privatisation within the Tasmanian State Service for several years. Since coming to office in 2014, the Government has slowly outsourced a range of public sector work, in everywhere from family violence counselling, child safety, security, to parks and wildlife.
  - I. **2015: Family Violence Counselling Support Service.** Case management outsourced to a private operator in Centacare.
  - II. **2017: Parks and Wildlife Service.** Track work was outsourced.
  - III. **2018: Advice and Referral Line (ARL), Child Safety Service.** Non-government organisations engaged to take triage calls from the community of suspected child abuse.
  - IV. **2018: After Hours Tasmanian Devil Hotline.** The service outsourced entirely to Bonorong Wildlife Sanctuary, work previously performed by DPIPW Wildlife Officers.
  - V. **2020: Driving Assessors.** Private providers are now able to conduct driving tests for P1 licences.
  - VI. **2021: Policy Academy** outsourced **cleaners.**
  - VII. **2021: Security reception** outsourced in **Courts.**
  - VIII. **2022: TasTAFE removed from the Tasmanian State Service.** Ceases to be a government agency and into a 'not for profit' GBE, corporatising Tasmania's sole public VET provider.

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<sup>13</sup> Mercury, 11 May 2023, St Helens Private Hospital closure: Government rescue ruled out, accessed 30 May 2025: <https://www.themercury.com.au/news/tasmania/st-helens-private-hospital-closure-jeremy-rockliff-rules-out-taking-over-facility/news-story/c8693cc03e28d378b2461b79e13b703d#:~:text=The%20state%20government%20has%20ruled,at%20the%20end%20of%20June.>

<sup>14</sup> ABC News, 26 May 2025, Urgent clarity requested on Hobart Private Hospital amid Healthscope woes, accessed 30 May 2025: <https://www.abc.net.au/news/2025-05-26/healthscope-lenders-into-receivership-hobart-private/105336264>

29. The largest recent change was moving TasTAFE from the state service to a not-for-profit GBE. Since that time, workers have experienced a decline in workplace culture, cuts to conditions of work, a net loss of teachers across the organisation, and worrying safety incidents in the Hobart campus.
30. Well before Treasurer Barnett's sell-out budget, the State Government was ratcheting up its privatisation agenda, ignoring union and community concern at three significant proposals that were announced without consultation, fresh off the 2024 State Election in where the privatisation of Tasmanian jobs, services, or assets were not taken to the electorate. These are opposed by Unions Tasmania and our affiliates.
- I. September 2024: **Privatisation of The Public Trustee.** The Government announced in September that parts of the Public Trustee would be privatised. This is despite the Public Trustee having transformed its organisation and culture following previous service complaints. Its privatisation is opposed by the current Board, unions, and employees.
  - II. November 2024: **Sale of the historic Treasury Building.** In December 2020, then Premier Peter Gutwein ruled out selling the Treasury Building. Its sale is now back on the table. Unions agree the community should have greater access to our historic buildings, but that government should retain them and make access free for all, not a Tasman style luxury hotel.
  - III. November 2024: **Outsourced triage work in Child Safety's Advice and Referral Line (ARL).** Tradewind, an international private recruitment firm, is being contracted to respond to and access the wait list at the front door of the Child Safety system.

## What are other states and territories doing?

31. The community knows that privatisation is a failed ideology and a failed policy.
32. In other jurisdictions, we are seeing a move to undo the damage caused by privatisation and realise the benefits of publicly owned assets and infrastructure. There are countless examples. In 2019, The [Western Australian Government](#) reversed the privatization of Perth's water corporation, where water production and wastewater treatment services had been outsourced to the private sector. This followed an internal review by the Water Corporation, which found that insourcing was the most effective and cost-efficient way to deliver these services.
33. In 2023, across several jurisdictions, a range of insourcing occurred including:
- The Western Australian Government bought back the St John of God Midland Private Hospital.
  - The Malinauskas Government signed a deal to bring South Australia's trains and trams back to state ownership following service unreliability and increased consumer costs.



- The NSW Government returned the Junee Correctional Centre to public hands after 30 years of being run as a private, for-profit prison.

34. In September 2024, the ACT Government announced they were insourcing hospital cleaners and caterers.

35. The Tasmanian Government are only contemplating divesting or selling off Tasmania's government businesses, services, and assets. They are not investigating how they could find savings elsewhere by bringing services in house. Unions Tasmania believes this is a missed opportunity and points to a predetermined outcome that makes a farce of the Government's previous contentions that they are genuine in consulting with the community about these so-called reforms.

## **Performance, governance and contribution to Tasmania's broader economic objectives**

36. Not all public services are meant to turn a profit. Throughout history, human societies have collectively invested in essential services to meet fundamental needs and to create systems that support the common good. People should always come before profit, in public services.

37. Where public services do make money, the returns should go back into the public purse and be reinvested in services.

38. Unions Tasmania welcomes the Tasmanian Government's announcement that it has abandoned plans to merge TasPorts, TT Line and TasRail, but is dismayed that two of these entities are nevertheless identified by the government as potential interests to sell off. As countless previous examples have demonstrated, the answer to the poor performance of some public entities is not less accountability, but stronger oversight and governance, which is already in train.

39. Under-resourcing public services must also be acknowledged as a driver of poor performance. Metro Tasmania, for example, has suffered from dire underinvestment for at least a decade, with Tasmania second-last only to the Northern Territory, for investment in public transport. Metro is not funded well enough to pay competitive wages, retain drivers, or meet the basic service needs of Tasmanians for public transport<sup>15</sup>. Time and again we have seen government budget choices lead to public services being run into the ground, and poor performance then used as an excuse to sell them off. Rather than turn public transport over to private interests that will prioritise profits, the Tasmanian Government should plan and invest for a robust, quality public transport service.

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<sup>15</sup> McKell Institute, 2024, A better deal: Fixing Tasmania's broken public transport system, accessed 30 May 2025: [https://mckellinstitute.org.au/wp-content/uploads/2024/02/McKell%E2%80%9494A%20Better%20Deal%20\(2024\).pdf](https://mckellinstitute.org.au/wp-content/uploads/2024/02/McKell%E2%80%9494A%20Better%20Deal%20(2024).pdf)

## Recommendations

1. The Tasmanian Government should stop these proposed sell offs and cuts. Unions Tasmania **strongly recommends** that all Tasmanian Government privatisation plans are abandoned immediately, including GBEs, SOC's and all other services being delivered by or on behalf of the Tasmanian Government.
2. With respect to governance reform, Unions Tasmania **proposes** the inclusion of dedicated worker representative positions on the boards of GBEs and SOC's to ensure that workers' voices are considered in decision making. This is consistent with our submission to last year's draft plan that was put to the public in November.
3. Unions Tasmania **proposes** that the following principles should underpin Government ownership of businesses:
  - Where an essential service is necessary for sustaining human life
  - Where a natural monopoly or duopoly exists
  - Where universal access to a free or affordable service may be put at risk by private ownership
  - To protect Tasmania's natural and unique heritage for future generations.
4. Unions Tasmania **proposes** the insourcing of all cleaning and security work currently delivered by outsourced providers in the Tasmanian State Service and insourcing all jobs in the Advice and Referral Line (ARL) in Child Safety Services.
5. Unions Tasmania **proposes** a privatisation audit across the Tasmanian State Service that includes a complete stocktake of outsourced, labour hire, and related work with a view to assessing the appropriateness or otherwise of insourcing these jobs and services.