

GOVERNMENT BUSINESS (SALE REFORMS) BILL 2025 (No. 42)

Second Reading

[5.34 p.m.]

Mr ABETZ (Franklin - Treasurer) - Deputy Speaker, I'm not sure I've had the opportunity to congratulate you on your appointment. I wish you well both for your sake and the House.

The DEPUTY SPEAKER - Thank you.

Mr ABETZ - I move -

That the bill be read the second time.

The Government Business Sales Reform Bill 2025 implements the government's pre-election commitment to introduce legislation that requires approval of at least two-thirds of the parliament to sell a Tasmanian government business enterprise or state-owned company. As outlined in our draft plan for review of the government's business governance arrangements that we released on 3 November 2024, our review is spanning the entire government business portfolio and was designed to consider, amongst other things, whether public ownership of each business remains appropriate and identify any businesses which potentially would better serve the people of Tasmania if divested or restructured. We asked whether government ownership is in the interests of the people of Tasmania. Can I stress we did not foreshadow the divestment of any of our government businesses. We foreshadowed a review to determine whether certain government-owned businesses could deliver a better benefit for the state and better outcomes for our fellow Tasmanians overall under potential different ownership models.

The Tasmanian government business portfolio is a significant and valuable asset base. We recognise the important economic and social benefits that these assets provide and are willing to explore how we can leverage those assets to extract the maximum benefit for our fellow Tasmanians. Having done so, we will not be divesting any of the government businesses and this bill provides that a government business can only be sold if it receives two-thirds majority support in the parliament. I point out that the powers that currently exist in relation to the sale of Aurora Energy's retail business were enacted by a former Labor government in this place. Under the *Electricity Reform Act 2012*, the Labor treasurer was vested with a broad authority, one that is in fact unusually powerful.

As the law now stands, courtesy of Labor, the Treasurer may sell all or part of Aurora's Energy retail business or that of a subsidiary entirely on terms that the Treasurer considers fit. This is not a limited or conditional power. It allows the Treasurer to enter into contracts, to transfer or novate agreements, to move shares in subsidiaries, and to take any other action considered necessary to affect such a sale.

That was a Labor policy, but let's be clear, under the current framework, the parliament itself has no role in approving such a sale. The Treasurer can act alone, without the need for the scrutiny or consent of this House or the Legislative Council.

That is why the reforms now before us are so significant. The Government Business Sales Reform Bill 2025 proposes to fundamentally change this arrangement. It would require

a two-thirds majority of both Houses of parliament before the retail business of Aurora could be sold and it would lock in that safeguard.

This is about accountability. It's about ensuring that any future decision to privatise or part-privatise one of Tasmania's energy businesses is subject to parliamentary oversight and cannot be made at the stroke of a Treasurer's pen, as Labor had legislated. Any decision about its future must be made openly and with the endorsement of the parliament that represents the people of this state.

That is why these reforms matter. They restore the role of parliament in decisions that should never be left to a single individual, however well-intentioned. To implement the reforms for our government business enterprises, an amendment is proposed to the *Government Business Enterprises Act 1995* to require that any proposed sale of the government business enterprise can only be progressed in accordance with the existing *Government Business Enterprise (Sale) Act 2003*.

The provisions in the *Government Business Enterprises (Sale) Act 2003* have then been strengthened to require that at least a two-thirds majority approval of each House of parliament is required for a government business enterprise to be sold under that act.

In this bill, the reforms have been implemented for our state-owned companies through the strengthening of the provisions in relation to the sale of shares of each company. The amendments have also taken into consideration the existing provisions for each state-owned company. For those companies where there was already a limitation on the sale of shares or a restriction on who could own the shares, these amendments will provide further clarity and additional protection.

The legislation will be clear that a member of the company cannot sell their shares and there will also be a new requirement that at least a two-thirds majority approval of each House of parliament will be required before the section providing this protection can be repealed or amended. There are two state-owned companies, Tasmanian Rail and Tasmanian Ports Corporation where the current legislation contemplates the sale of shares in these entities.

For these companies, the amendment strengthened the approval process and will require approval from at least a two-thirds majority of each House of parliament before the shares can be sold. This bill takes into consideration the existing provisions in relation to Aurora Energy's retail business and the amendments provide that at least two-thirds majority approval of each House of parliament is required before the Treasurer can sell the retail business of Aurora Energy.

The amendments, reaffirm our commitment that the government will not be selling any Tasmanian government business enterprise or state-owned company.

I commend the bill to the House.

