



July 2025

Driving Tasmania's Future

THE CASE FOR PUBLIC TRANSPORT INVESTMENT
OVER PRIVATISATION



About the McKell Institute

The McKell Institute is an independent, not-for-profit research organisation dedicated to advancing practical policy solutions to contemporary issues.

For more information call visit www.mckellinstitute.org.au

Acknowledgement of Country

This report was written on the lands of the Wadawurrung people. The McKell Institute acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and se

About the author

Rebecca Thistleton is an Executive Director at The McKell Institute.

This report has been written with the support of the RTBU.

Foreword

Tasmania heads to the polls in July 2025, just 16 months after its last election—marking the fourth state election in seven years.

In May 2025, a state budget projecting debt to double to \$10.78 billion by 2028–29 triggered a no-confidence motion in the Tasmanian Premier, prompting yet another election (Tasmanian Government, 2025; The Conversation, 2025).

While debate has focused on stadium funding and debt, bus service cuts continue. In Hobart and Launceston’s outer suburbs and in regional towns in particular, the lack of bus services in the evening and on weekends prevent people back from accessing jobs and services.

Drivers face abuse, low morale and rising assaults, the resulting staff shortages contributing to service cuts.

Privatisation won’t fix these problems. Evidence from other states shows it leads to higher fares, fewer routes, and insecure work. Using the Tasmanian Government’s own divestment criteria, Metro Tasmania fails the test for sale.

The bigger question is how to build inclusive growth. That starts with accessible public transport.

Without good public transport, every taxpayer dollar spent on job creation, health services and education fails to be fully realised without equitable and accessible transport services.

Tasmania needs is a serious long-term vision to guide future public transport planning and development, and a 10-year funded strategy to make it happen. As other states have shown, funded transport plans can work beyond election cycles and budget panic.

This report calls for a vision and a plan, because Tasmania’s bus network fails the people who need it and who should be able to rely on it.

Executive summary

Ahead of the 2024 election, the McKell Institute and the Rail, Tram and Bus Union (RTBU) called for urgent investment in Tasmania's failing system. Our report, *A Better Deal: Fixing Tasmania's Broken Public Transport System* revealed that Tasmania spends the least per capita on public transport, with underinvestment leading to unreliable and inequitable services, particularly in low-income and regional areas (Douglass, 2024).

The report exposed critical gaps: poor coverage, limited network integration, and a governance model lacking transparency. It argued that privatisation would worsen outcomes.

This paper is structured in two parts.

Part One updates the data from our 2024 report, showing that Tasmania's spend on public transport continues to be the lowest of all the states both in terms of proportion of budget spend and per capita investment.

It shows how millions of dollars are being spent on stopgap measures with little impact on patronage.

Part One also examines the risks of privatising Metro Tasmania and evaluates the case for public ownership using the Tasmanian Government's own divestment criteria.

Examples of privatisation and investment in bus systems in regionalised parts of Europe are used to show how other jurisdictions have dealt with similar challenges as Tasmania.

Part Two outlines a long-term investment strategy to improve services, reform governance, and expand public transport access across the state.

It discusses the broader potential for public transport to be a key driver for Tasmania's economic growth and maximise government spend on other services, such as health and education, by improving access for more people.

The paper concludes with a call for leadership and policy action in the lead-up to the 2025 election.

Key Findings

- 1. Tasmania's public transport investment remains among the lowest in the country.**
Tasmania's public transport spending pales compared to other states, despite a modest rise in per capita spend in the 2025-26 budget. The recent Tasmanian budget allocated just over 1 per cent of total spend to public transport.
- 2. There have been no meaningful public transport investments in Hobart since the 2019 City Deal.** While the deal promised a "reliable, sustainable, and cost-effective" network, only a \$500,000 appropriation was made in 2019–21.
- 3. The existing network is inequitable and fails to serve areas of greatest need.**
Inner Glenorchy and other disadvantaged locales suffer from sparse bus coverage, reinforcing social exclusion and economic disadvantage.
- 4. High levels of antisocial behaviour and poor working conditions are undermining drivers' morale and retention.** Reports document drivers experiencing daily verbal abuse, assaults, and low morale. We support criminalising harassment of transport workers to curb this.
- 5. Privatisation risks eroding jobs, service quality, and public control.**
Union leaders and Greens MP Helen Burnet argue that, based on mainland experience, privatisation leads to job casualisation, fare hikes, route cuts, and deteriorating conditions.
- 6. Underinvestment already costs Tasmanian taxpayers.** Taxpayers are already paying the price for a chronically underfunded bus system. The Tasmanian Government has spent millions on temporary measures to address driver shortages and cut fares, however, this has failed to shift commuter habits. Without a long-term investment strategy, one-off measures are ineffective.
- 7. Government-commissioned criteria show Metro Tasmania should not be privatised.**
A report by economist Saul Eslake, commissioned by the Tasmanian Government, set out clear criteria for assessing the suitability of public asset privatisation. Against these benchmarks—including service continuity, alignment with strategic objectives, and employment impact—Metro Tasmania does not meet the threshold for divestment.

Recommendations

1. **Develop a long-term vision for future light rail, bus and ferry services for Tasmania that is backed by a practical 10-year investment and network development plan.**

Tasmania needs an over-arching plan that works towards light rail delivery and makes sure future transport services are planned with new housing. A 10-year investment strategy should set the actions for government to commit to and fund in the coming years.

2. **Legislate for equitable service delivery and for community benefit.**

The government should legislate to make equitable service delivery and social and community benefits explicit grounds for transport planning and investment decisions. This should include introducing a community service obligation framework that requires transport agencies to deliver minimum service standards in disadvantaged areas. The framework should mandate annual reporting against clear benchmarks such as per capita service kilometres in disadvantaged suburbs, minimum frequency standards and accessibility measures for people with disabilities and mobility needs.

3. **Overhaul Metro Tasmania's governance to restore transparency, quality and public faith in the system.** Transparency must be enforced by mandatory public reporting of cancellations, reliability, workforce conditions, service coverage and customer satisfaction.

4. **Enshrine protections for public transport workers to keep them safe and on the job.**

A Public Transport Workforce Charter, developed in consultation with the RTBU, would guarantee baseline conditions for workers. Harassment against transport workers should be made a criminal offence, as part of broader efforts to address rising abusive behaviour toward bus drivers.

5. **Embed public transport in all major urban planning and housing efforts.** Align new housing developments with transport corridors, prioritise bus lanes and park and ride schemes, and treat transport investment as core infrastructure on par with roads and broadband, recognising its role in productivity, climate mitigation, and accessibility.

6. **Embed public transport in Tasmania's economic development.** Tasmania's bus network has untapped potential to help lift the state's low participation rate and address its projected GSP decline. Public transport also multiplies the benefits of other government investments, and can allow more people to access healthcare, education, and training. Better bus services can support new housing development in growth areas and enable workforce mobility at a time when both are urgently needed.

Table of Contents

Foreword	3
Executive summary	4
Key Findings	6
Recommendations	7
Tasmania's journey from budget to ballot	10
Part one: Keeping Tasmania's public transport in public hands.....	11
<i>Tasmania's per-capita public transport spend continues to be the lowest in the country.....</i>	<i>11</i>
Table 1: Real allocated public transport service per capita (2023-24 dollars)	12
Table 2: Proportion of 2024-25 state budget allocated to routine public transport spend.....	12
Figure 1. Real public transport service spending per capita by jurisdiction (2023-24 dollars).....	13
<i>Buses are critical for connected communities.....</i>	<i>13</i>
<i>Privatisation puts bus drivers last</i>	<i>15</i>
<i>Underinvestment costs Tasmanian taxpayers</i>	<i>18</i>
Figure 2. Tasmania total real budgeted spending on public transport	18
<i>Eslake's metric shows Metro Tasmania should not be privatised.....</i>	<i>20</i>
Part two: Investing to deliver improvement	24
<i>Transport policy is smart politics.....</i>	<i>24</i>
<i>It is time for a bold agenda-setting transport plan for Tasmania</i>	<i>25</i>
<i>Transparent, accountable governance can restore faith in Metro Tasmania</i>	<i>26</i>
<i>Public transport investment is a cost-effective economic driver</i>	<i>26</i>
<i>Community need can only be met through service investment</i>	<i>27</i>
<i>Tasmania's regional population spread requires a regional bus network</i>	<i>28</i>
Conclusion.....	30
References	31

Tasmania's journey from budget to ballot

Tasmanians should have gone to the ballot box in May 2025, four years after Peter Gutwein won a third term for the Liberal Party in May 2021, as required by the state's Constitution, which sets a four-year maximum parliamentary term (*Constitution Act 1934, s.23*).

The Premier can advise the governor to dissolve the Assembly early, a trigger pulled three times since 2018. In each case, the Premier of the day made that call because of instability stemming from a lack of government majority.

- March 2021: Premier Peter Gutwein calls a snap election, saying "Tasmania can't afford the uncertainty of the minority government". This follows Speaker Sue Hickey losing her Liberal Party endorsement, having voted against the government (Langenberg, 2021; Lohberger, 2021)
- May 2021: Gutwein wins a majority, secures a third term for the Liberal Party (Humpries, 2021). Gutwein resigns in April 2022 and is succeeded by Jeremy Rockliff.
- May 2023: Two Liberal member of parliament resign from the party and go to the crossbench. Both members, John Tucker and Lara Alexander, cite concerns about Macquarie Point Stadium. The Rockliff Government loses its majority. (Langenberg, 2023)
- February 2024: Struggling to regain traction in minority government, Premier Jeremy Rockliff calls an early election for March 2024. (ABC News, 2024)
- April 2024: Despite forming government, Rockliff still has to govern in the minority. As part of securing crossbench support, he agrees to commission an independent report into Macquarie Point Stadium. (*Confidence and Stability Agreement*, 2024)
- January 2025: The report, released in the early days of the new year, suggests stadium costs would blow out to well over \$1.1 billion (Gruen, 2024).
- March 2025: Rockliff announces economist Saul Eslake will provide advice to government about privatising or selling state-owned and government-business enterprises to find efficiencies and help cut debt (Premier of Tasmania, March 2025).
- June 2, 2025: Tasmania's 2025-26 budget is handed down, showing net debt will increase (Premier of Tasmania, June 2025).

- June 5, 2025: the Tasmanian Parliament passes a no-confidence motion against the Premier, with Speaker Michelle O’Byrne casting the deciding vote (ABC News, 2025).
- June 7, 2025: Rockliff announces the government has “ruled out” any privatisation of government-owned businesses or enterprises, calling an end to Eslake’s work. He pledges new legislation requiring two-thirds of the Parliament’s support for any future privatisation efforts, dubbed a “super majority”. (Tasmanian Government, 2025)
- June 11, 2025: Tasmania’s Governor accepts Rockliff’s recommendation to dissolve the House of Assembly, with an election to be held on July 19 (Tasmanian Government, 2025).

Part one: Keeping Tasmania’s public transport in public hands

Tasmania’s per-capita public transport spend continues to be the lowest in the country

In 2024–25, Tasmania allocated just \$152.06 per person to public transport, well below \$243 in South Australia and \$636 in Victoria, and significantly lower than Queensland and Western Australia. Tasmania’s spend of its total state budget on public transport has been around 1 per cent for the last 15 years, the second lowest of any state or territory in the country, behind the Northern Territory (Douglass, 2024).

Tasmania continues to allocate among the smallest share of the state budget on transport of all the states and territories, and has the lowest per capita spend on public transport in the country.

These figures underscore the systemic neglect that has led to an unreliable, under-resourced, and deeply inequitable network.

As we explored in *A Better Deal*, public transport investment has diminished in Tasmania over the last five decades. Numbers of services, passengers boarding and proportion of total kilometres travelled compared to cars have all sunk with it.

Since the 2019 Hobart City Deal, Hobart has seen no significant public transport investment. Despite commitments to a "reliable, sustainable, and cost-effective" system, only \$500,000 was provided between 2019 and 2021, with no further funding, while other regions have advanced large-scale urban transport initiatives (Douglass, 2024).

Tasmania's austere budget for 2025-26 was the trigger point for the no-confidence motion that has brought on the latest state election.

Table 1: Real allocated public transport service per capita (2023-24 dollars)

	TAS	SA	VIC	WA	QLD	NT	ACT
2021/22	\$ 124.33	\$ 184.31	\$ 605.52	\$ 730.64	\$ 726.53	\$ 126.49	\$ 484.30
2022/23	\$ 122.03	\$ 227.04	\$ 591.39	\$ 671.00	\$ 711.86	\$ 123.92	\$ 469.71
2023/24	\$ 121.23	\$ 227.73	\$ 630.70	\$ 661.68	\$ 722.53	\$ 122.05	\$ 506.98
2024/25	\$ 152.67	\$ 243.59	\$ 636.51	\$ 708.04	\$ 768.37	\$ 119.82	\$ 479.53

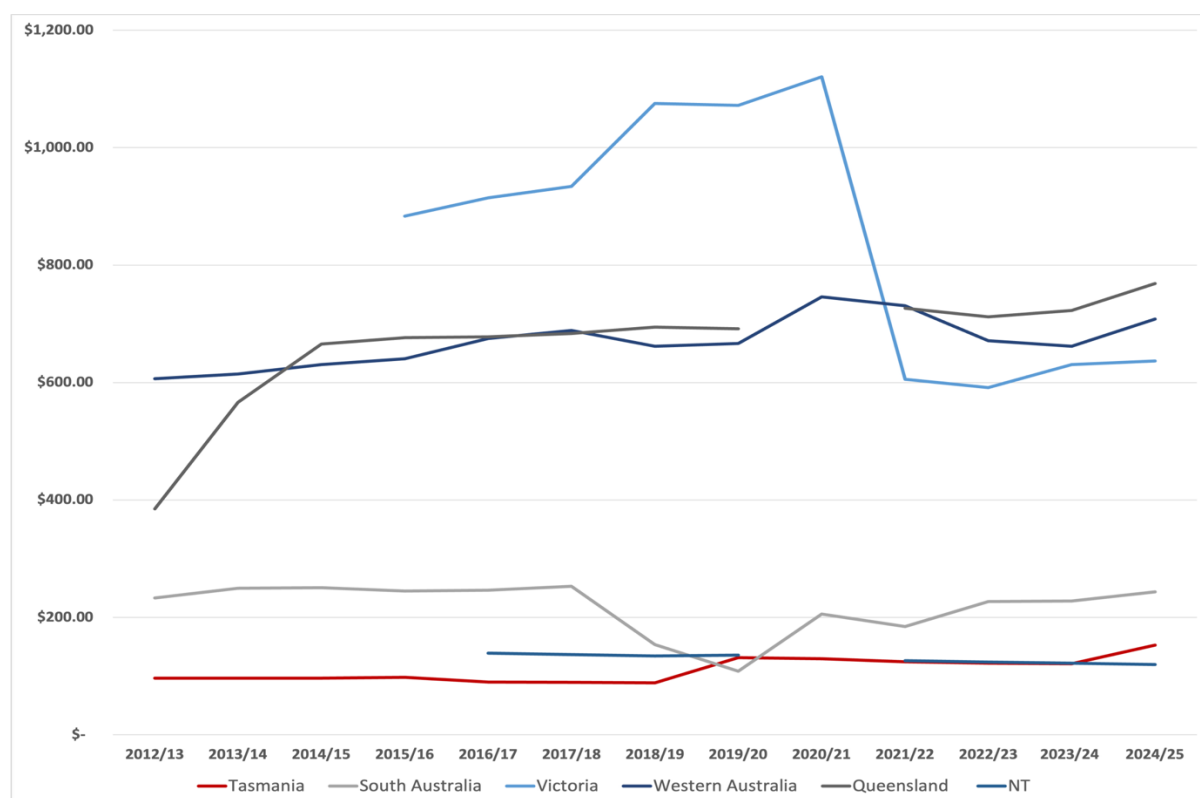
Source: ABS population data, State and Territory Government Budget Papers, Centre for Population Projections Forecasts.

Table 2: Proportion of 2024-25 state budget allocated to routine public transport spend

	TAS	SA	VIC	WA	QLD	NT	ACT
2024/25	1.12%	2.21%	4.95%	5.56%	5.04%	0.38%	2.89%

Source: ABS population data, State and Territory Government Budget Papers, Centre for Population Projections Forecasts.

Figure 1. Real public transport service spending per capita by jurisdiction (2023-24 dollars)



Source: ABS; Tasmanian Government Budget Papers, Centre for Population Projections Forecasts.

Note: New South Wales does not publish equivalent data.

Buses are critical for connected communities

The United Kingdom's bus system was deregulated in 1985. Alston, Khawaja and Riddell (2021) argue this move undermined human rights by imposing a significant human cost.

Many people lost jobs or were unable to take up new work because buses became too expensive, unreliable, or simply didn't run when or where needed. Those hardest hit included low-income families, older people, disabled passengers, and rural residents, who were often forced into costly car ownership or left socially isolated without access to essential services and community life.

“The United Kingdom is one of the wealthiest countries in the world, and can afford a world-class bus system if it chooses to prioritise and fund it. Instead, the government has outsourced responsibility for a vital public service, propping up an arrangement that prioritises private profits and denying the public a decent bus [service].”

- Former UN Special Rapporteur Philip Alston

While there has been a growing appreciation of how much public transport contributes to social outcomes and communities, there remains little consideration of these impacts in government decision-making (Lowe, Stanley & Stanley 2018).

Competitive tendering for bus services focuses on price, ignoring the broader community benefits buses offer. Lowe et al. argue the social and community benefits should form part of government decision-making.

Privatisation puts bus drivers last

One of the most immediate and damaging impacts of privatisation is on the people who keep the system running. For Metro Tasmania, this means frontline bus drivers—whose jobs, conditions, and safety are already under pressure. The evidence shows that privatisation makes these challenges worse, not better.

Privatisation leads to job losses

Having been asked by the Rockliff Government to assess potential benefits of privatising government entities, economist Saul Eslake noted in a preliminary report that privatisation typically does result in job losses (Eslake, 2025). Even with built-in ‘job guarantees’ for sale agreements, efficiency gains are found through service cuts.

Eslake, citing Bellchamber and Richardson, says research has found gains made from service cuts have been offset by increases in sales and marketing staff and widening gaps between executives and lower-paid employees.

Privatisation is typically associated with job losses and reduced working conditions. As Eslake's report highlights, so-called efficiency gains often come from service cuts rather than true productivity improvements—and are frequently offset by increased administrative and marketing costs.

These concerns are echoed by Greens MP Helen Burnet and union leaders, who have publicly warned that privatisation on the mainland has resulted in “service reductions, higher fares and cuts to workers’ pay and conditions” (Pulse Tasmania, 2025; Herald Sun, 2025).

Privatisation reduced pay and conditions for bus drivers in the United Kingdom after the system was deregulated in 1985 (Alston et al). The House of Commons Transport Committee raised concerns about safety, recruitment, and retention, pointing to long hours and poor pay. Bus companies have used “fire and rehire” tactics, including during COVID-19, to worsen drivers’ terms and conditions.

A union official said wages at big private companies are much lower than they would have been if public-sector trends had continued. Municipally owned companies generally paid better, reinvested profits locally, offered better conditions and service, and had lower driver turnover (Alston et al).

In London's franchised system, private companies submitting competitive bids have raced to the bottom. One former driver described how, after privatisation, working conditions got harder, with pressure to work within impossibly tight margins.

Driver turnover is already reducing services

Metro Tasmania grapples with driver retention and rising harassment and violence towards workers, and driver shortages have led to service cuts, as explained in *A Better Deal*.

There were 180 services cut in 2023 because of driver shortages. This was meant to be temporary, yet services have not been restored.

The number of bus driver assaults in Tasmania has risen in recent years, with reports of verbal abuse and threats becoming daily occurrences. For years, concerns have been raised about mismanagement, mistreatment of drivers by Metro Tasmania and passengers, and substandard working conditions, contributing to rising staff turnover. In Hobart, some commuters have taken out their frustrations on drivers through verbal and physical abuse. Many dissatisfied employees have informally reported issues with poor management and erratic, unreliable scheduling systems (Douglass, 2024).

We support enshrining new offences in Tasmania's Criminal Code to address abusive and violent behaviour toward public transport workers—a recommendation first made by the McKell Institute in February 2024.

Case study: Lessons learned from privatisation in the United Kingdom

In *Building a world-class system for Britain*, Transport for Quality of Life outlined how privatisation of buses in the United Kingdom has played out since deregulation in 1985 (TfQL, 2016).

Outside London, bus patronage halved between 1985 and 2015. Many places have lost Sunday services entirely, and rural areas have “skeletal” services or none at all.

More than 40 per cent of operator revenue has come from government funds, yet the municipalities have no input into fare prices or routes.

As a result, the municipalities have different bus tickets and timetables aren’t integrated. There has also been low inclusion of bus routes and future network planning with urban planning, reducing the quality of new developments and maintaining dependence on cars.

Cost cutting across the deregulated operators has also led to lower wages for drivers and higher staff turnover. Companies have used more part-time and casual contracts, sick pay and pension benefits were often reduced or removed. Even under franchised companies in London, cost pressure competition between private operators has left drivers worse-off compared to other European systems with sector-wide bargaining.

For passengers, the high staff turnover and less investment into training and customer service has reduced service quality.

Across the UK, average annual profit for bus operators was £297 million a year between 2003 and 2013, and almost all profit was paid out in dividends to shareholders.

Over a decade, £2.8 billion was paid out.

This contrasts with Reading, where the local council kept their municipal bus company.

Reading Buses invests an additional £3 million a year in the bus network, about 12–15 per cent of its annual turnover, rather than pay dividends. (TfQL)

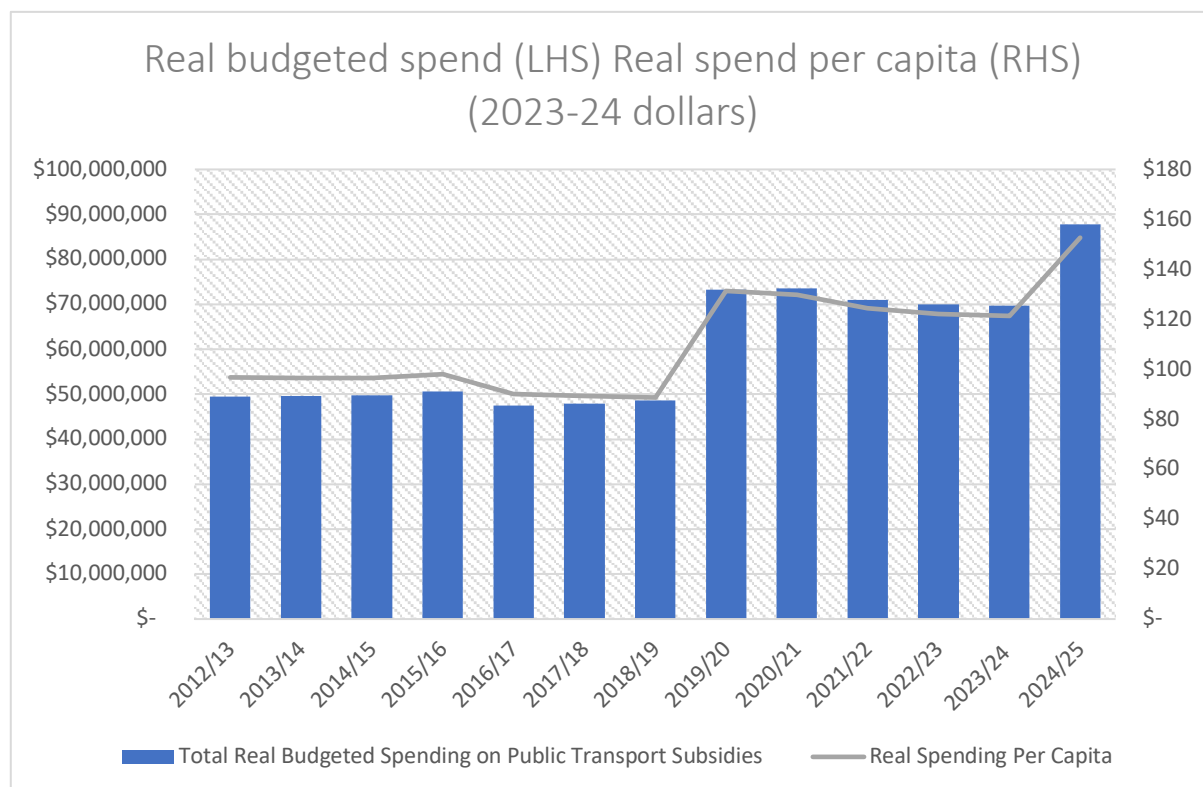
Underinvestment costs Tasmanian taxpayers

While proponents of privatisation argue it will ease pressure on the state budget, the reality is that Tasmanians are already paying the price of chronic underinvestment. Stopgap funding and short-term fixes have failed to lift service quality or usage—highlighting the need for a long-term strategy grounded in public ownership and sustained investment.

Taxpayers are already paying the price

In September 2023, the Tasmanian Government announced a \$8.1 million spend to improve driver pay and safety measures to address worker shortages (Metro Tasmania, 2023). However, this was a temporary fix outside the Enterprise Agreement. There have been more violent attacks against drivers, including two teenagers charged with glassing a driver in Launceston (Moran, 2024). Metro Tasmania has also told drivers to hide coin trays and refuse fares at the Glenorchy mall following reports of violence against drivers (Ford, 2025).

Figure 2. Tasmania total real budgeted spending on public transport



Source: ABS; Tasmanian Government Budget Papers, Centre for Population Projections Forecasts.

In June 2024, the Tasmanian Government spent \$14 million to halve public transport fares as a cost-of-living measure (Minister for Transport, 2024). Derwent Ferry patronage increased 19 per cent, but bus usage remained largely unchanged.

Political and media commentary noted fare reductions would not shift commuters, highlighting that more frequent and reliable bus services were essential to drive bus passenger numbers. (Inglis, 2025).

Piecemeal spending and stopgap measures cannot deliver meaningful, system-wide improvements and future governments must have a strategic plan, backed by investment.

These initiatives highlight a crucial lesson: without reliable, frequent, and well-planned services, fare subsidies and workforce incentives cannot meaningfully improve the system.

Public funding continues to flow into short-term fixes rather than long-term strategic investments. Service quality remains low, passengers continue to opt for cars, and the public sector bears the cost of operational inefficiency.

Meanwhile, disadvantaged communities, including older Tasmanians, people with disabilities, and young people, remain effectively excluded from accessing opportunities.

As Eslake noted, privatising a non-commercial service like Metro Tasmania would require substantial government support to enforce service standards. The cost of propping up a private operator through incentives, performance management, and regulatory enforcement would ultimately fall to the public as it does today.

Metro Tasmania already under-serves the community, which would likely worsen under a private system

The priority of a privately-owned bus service is profit, not transporting people. The focus invariably shifts to route popularity and financial viability, which does little to boost transport availability for people living in public transport deserts.

This is picked up in *A Better Deal*, which notes that privatisation often introduces “cost-shifting to users and the broader public system” Over time, this creates an illusion of savings

while generating a net increase in public expenditure, especially as demand grows and equity pressures mount.

Under Tasmania's existing GBE, the lack of transparency has already made it harder for the Tasmanian Governments to ensure minimum service levels, especially for regional or vulnerable users. This contributes to less equitable access to employment, healthcare, and education

Incentives and subsidies would be needed to prop up a privatised Metro Tasmania

In his report to government, Eslake says that if the government privatises an entity like Metro Tasmania or the Port Arthur Historic Site, which provide non-commercial services, it must define the services to be maintained, the terms of delivery, the level of government support, how performance will be monitored, and the penalties for non-compliance.

Metro Tasmania's most recent annual report, for 2023-24, notes the challenges facing the network and offers little to raise the expectations in future service delivery. Not only does the lack of investment into Tasmania's public transport put off passengers, but it would also likely deter potential private buyers.

While privatisation may appear to shift costs off the government's balance sheet, the actual financial burden often re-emerges elsewhere, and privatisation adds costs to budget bottom lines in the longer term.

Privatisation would result in cost-shifting and ultimately cost the Tasmanian Government far more long-term, as demonstrated internationally when other smaller networks have been privatised.

[Eslake's metric shows Metro Tasmania should not be privatised](#)

Economist Saul Eslake was commissioned to advise the government on the sale potential efficiencies across 16 government business enterprises and state-owned entities.

This advice was to be provided in two stages: entities that should be ruled out, and later, the entities to be considered for privatisation or divestment.

Eslake's first report, released in April 2025, outlined the commercial and public interest criteria used in his assessment. Six entities, not including Metro Tasmania, were ruled unsuitable for further consideration.

The second report was originally scheduled for completion by the end of June; however, the unexpected election brought the process to an early close. No detail about the other entities, including Metro Tasmania, have been released.

Using points from our previous report, *A Better Deal*, we assess how Metro Tasmania aligns with the Tasmanian Government's own criteria for potential divestment:

Criteria 1: Whether the GBE, SOC or agency is carrying out functions which would unlikely to be undertaken by a prospective private acquirer, and where it is likely to be difficult to provide financial inducements or to create a regulatory framework designed to ensure that those functions continue to be provided;

- Metro Tasmania delivers essential public transport services to low-density and low-demand areas that are unlikely to attract or sustain private interest without substantial and ongoing subsidies.
- Private operators are less likely to invest in long-term infrastructure upgrades needed for low-demand or regional routes, risking further decline in service quality.
- It would be difficult to design a regulatory framework that would reliably compel a private operator to continue running unprofitable but socially vital routes, particularly those serving low-income or vulnerable communities.
- There is a high regulatory burden in delivering universal access, affordability, and service frequency, functions that a private owner is unlikely to deliver without eroding equity or service quality.
- Public ownership allows for greater transparency and accountability in service decisions, which is often lost under private models.

Criteria 2: whether privatisation or any other form of divestment would likely detract from the Government's capacity to achieve important strategic or policy objectives;

- Public transport is essential for equitable access to employment, education, and services, especially for vulnerable populations. It is a core lever for promoting equity, economic inclusion, and climate objectives, all of which would be undermined by a profit-driven service model.
- Public ownership allows for transport integration and gives government flexibility to respond to changing community needs.
- Privatisation can exacerbate service inequities and underinvestment, as operators may not serve less profitable routes, leading to reduced access for disadvantaged communities.

Criteria 3: whether privatisation or any other form of divestment would likely result in significant losses of employment;

- Public ownership offers greater job security, regulated employment conditions, and continuity of skilled transport workforces.
- Divestment would likely introduce staff cuts, casualisation, and restructuring, particularly in operational and maintenance roles, threatening regional employment and service delivery stability.
- Loss of public sector employment can have negative flow-on effects for local economies, especially in regional areas.
- Metro Tasmania has already cut services due to driver shortages, uncertainty generated by privatisation proposals and a lack of action to protect drivers can lead to higher staff turnover and difficulty recruiting qualified drivers.

Criteria 4: whether privatisation or any other form of would likely result in significant price increases (that could not be prevented by the terms and conditions of sale, or by regulation), or material reductions in the quality of services provided;

- Metro Tasmania operates in a non-competitive market, and privatisation would exacerbate this monopoly.

- Given the lack of competition, privatisation could result in lower service frequency, reduced coverage and reliability.
- Regulatory oversight to prevent this increases costs and requires new oversight frameworks and extra layers of governance to enforce.

Criteria 5: whether there is likely to be any interest in the entity from prospective acquirers – and if so, whether the interest saved by applying the sale proceeds to debt repayment would exceed the tax-equivalent and dividend revenue foregone.

- Decades of under-investment, falling passenger numbers and reliance on government subsidies may limit Metro Tasmania’s appeal to potential private buyers.
- *A Better Deal* did not provide an assessment of potential sale costs. However, it notes the social return on investment, in terms of connectivity, reduced congestion, and public health, makes Metro Tasmania more valuable under public ownership than it would be through sale proceeds alone.

Part two: Investing to deliver improvement

Transport policy is smart politics

Only a stable majority government can properly plan for service expansion, workforce development, and the sustained funding needed to fix Tasmania's public transport system.

If Labor or the Liberals, or indeed the Greens or independents, want to prove they're serious about governing for all Tasmanians, they must put public transport at the centre of their platforms.

Taking strategic policy to this election helps to show voters that a majority government provides the stability to deliver long-term public transport reform, not just prevent privatisation.

While Tasmania has a number of plans for infrastructure and for transport, the state lacks an over-arching vision to guide investment that aligns with strategic goals and works to optimise spending.

The OECD International Transport Forum (ITF) conducted case-specific policy analysis of strategic infrastructure planning, and in 2017, released an international best practice paper that stated systemic risks were reduced when projects were part of broader, long-term strategic plans.

The ITF notes the difficulties in setting long-term plans given future uncertainty, but states having a long-term infrastructure vision that is flexible and has continuous stakeholder management, and supported by transparent governance, gives jurisdictions a much stronger foundation for making funding decisions and provides a benchmark for political accountability.

In Australia, the larger states are working to long-term high-level plans with shorter strategic blueprints to guide investment.

In New South Wales, the *Future Transport* plan was first released in 2018 and has since been updated. It sets the state's direction for transport planning over 40 years and is a critical point of reference for medium to long-term plans such as 20-year integrated transport plans for each region and strategies for road safety, technology and zero emission ferries.

Over the next four years, \$76.7 billion will be spent on new transport projects in NSW. The long-term *Future Transport* plan shows how these projects will integrate with existing services and where investment will be needed for different transport modes in future to provide for population growth. It also sets actions for the years ahead with timing indications based on priority.

“When it works well, strategic planning can set out a stable set of priorities for future investment with durable cross-party support.”

–Strategic Infrastructure Planning: International Best Practice (International Transport Forum, 2017)

[It is time for a bold agenda-setting transport plan for Tasmania](#)

Tasmania needs an over-arching framework that sets a vision 40 years on from now. This should be supported by a 10-year public transport network plan and investment strategy that sets clear goals for increased frequencies, improved reliability, greater regional reach and planning for future services.

While passenger rail has not ran in Tasmania since the 1970s, freight rail continues, and rail corridors remain across the state. Previous Tasmanian governments have commissioned work into potential light rail projects, some using existing corridors, however work has not progressed.

Having a 40-year strategic framework can build cross-party and community support, and also preserves existing rail corridors for future services. Integrating future light rail corridors into land use planning now to guide new housing development saves government in the long-term and gives people certainty.

A 10-year transport infrastructure strategy shows the actions and investment government will make to deliver that vision.

Transparent, accountable governance can restore faith in Metro Tasmania

As demonstrated in *A Better Deal*, the Tasmanian Government has few levers to pull in making sure those who make decisions about bus services act in the interests of passengers. Metro Tasmania's structure as a government business enterprise blurs accountability. Its commercial objectives limit transparency, and there are no statutory obligations to provide services to disadvantaged communities or meet frequency benchmarks.

As an essential service, its everyday operations are undermined as a public yet profit-seeking entity, and the current contractual settings allow for opaque decision-making and discretion around service cancellation decisions.

To fix this, the Metro Tasmania Act 1997 must be amended to include a Community Service Obligation framework. This should require annual public reporting on per capita kilometres in low-income suburbs, service frequency standards, and accessibility benchmarks, in line with similar measures in NSW and WA.

A new Public Transport Commission should be established to oversee system performance, infrastructure planning, funding accountability, and quarterly benchmarking.

Metro Tasmania's hybrid structure, as a public yet profit-seeking entity, should be reviewed to assess whether its operations as a GBE allow for service delivery in the public interest, or if its commercial obligations get in the way of its purpose.

The Metro Tasmania Act should also be updated to consider socioeconomic disadvantage, service equity, and regional access in all operational decisions.

Transparency should also be improved, by requiring Metro Tasmania to publish service cancellation data, performance benchmarks, and board decisions.

Public transport investment is a cost-effective economic driver

Tasmania was the only state projected to have a falling GSP in 2024-25, and state's participation rate is the weakest in the country.

Investing in Tasmania's bus network is one of the most cost-effective ways to deliver wide-reaching economic and social gains. As *A Better Deal* outlines, there is enormous potential to improve Tasmania's public transport system, but this is only possible with meaningful investment.

Public transport investment offers one of the best value-for-money pathways to economic and social recovery. Every \$1 spent on public transport delivers up to \$4 in broader economic benefits. This includes productivity gains, reduced congestion, improved workforce participation, and health savings.

As the ITF notes, insufficient or misallocated investment in infrastructure undermines productivity and economic growth. Building infrastructure alone does not create economic potential, it must be planned across different sectors and policy areas.

Both France and Japan are cited as examples of how long-term strategic planning can evolve and be updated to adopt to tougher financial environments and operate under constrained budgets, while also aiming to drive economic growth.

Adequate funding and strategic oversight can lift Metro Tasmania' service quality and deliver the measurable economic and social returns that the state will otherwise continue to go without.

Community need can only be met through service investment

For those without a car, Metro Tasmania is the only viable option for transport. Without it, those who can't afford or operate a private vehicle are locked out of full participation in society.

Public transport helps young people access TAFE, universities, and apprenticeships, particularly outside major urban centres. The current lack of weekend and evening services makes it harder for students in outer suburbs or rural areas to benefit.

As shown in *A Better Deal*, outer suburbs and regional areas stand to gain the most from better access to employment, education opportunities and medical care.

Increased services can also support new housing and employment growth. This would relieve pressure on Hobart's urban fringe, but is also particularly relevant in places like Brighton, Glenorchy, and Launceston's north.

Interconnectivity and transfer reliability between services needs to be improved, to maximise existing services and reduce the swathes of suburban areas lacking in public transport.

Tasmania's regional population spread requires a regional bus network

Tasmania is the least centralised Australian state. Greater Hobart is home to about 40 per cent of the population, compared to Melbourne and Adelaide accounting for 75 per cent of their states and Sydney holding 65 per cent of the population in New South Wales.

Weekend and off-peak services need to increase in outer suburbs and regional areas. As shown in *A Better Deal*, disadvantaged parts of Tasmania are sorely missing out on public transport coverage.

Suburbs such as Glenorchy and norther parts of Launceston lack services after 6pm, which limit the opportunities for people living in those areas without access to a car.

Investment into bus services directly addresses these inequities. More frequent, reliable, and better-connected routes reduce isolation, strengthen communities, and support inclusive economic growth. Increase funding can expand off-peak and weekend services and better align routes with demand.

Case study: The 'Every village, every hour' campaign to connect UK communities

The Countryside Charity, a UK-based advocacy group for rural areas, has called for more bus services to connect communities. Their report *Every village every hour: a comprehensive bus network for rural England* (2021) found that much of rural England has become a “transport desert” following deregulation in 1985, as private operators cut unviable routes to maximise profit.

The report states that lower-income households were struggling with transport costs and accessibility, reducing access to jobs and services like healthcare. It looked at international regions where bus services are available to people living in regional and rural areas.

For comparison, the City of Hobart’s population density is 720 people, Greater Hobart’s is 150 people, Devonport’s is 243.

Zurich region, Switzerland: Population density: 890 people per square kilometre. Zurich’s transport authority provides tiered bus service frequencies, services run at least hourly for villages with 300 or more people, half-hourly where routes cross multiple villages, and four times an hour for towns. Services run every day from 6am to midnight, connecting with train timetables. The region’s annual transport journeys per capita are more than six times higher than the English average outside London.

Bern region, Switzerland: Population density: 170 people per square kilometre. Transport service frequencies are enshrined in law, minimum frequencies deliver small villages at least four and up to 15 return services per day, larger villages and towns receive 16-15 return services per day.

North Hesse region, Germany: Population density: 143 people per square kilometre. Bus routes reach all communities with more than 200-250 residents at least once an hour using a mix of publicly-owned and commercial operators. Services run at least 12 hours a day, seven days a week, and integrate with other bus and rail timetables.

Conclusion

Tasmania's surprise 2025 election may forever be regarded as a referendum over Macquarie Point Stadium.

Many Tasmanians want to see their footy team in the national league, but they also want to get to a job interview, or home safely after a night shift.

Four elections in seven years wears out voters, shaking their trust in the political system. Tasmania needs political stability. Neither major party wants to govern in the minority, and both have an opportunity to use this unplanned election to set a new agenda for leadership.

The need to focus on public transport goes well beyond ruling out privatisation, it needs a commitment to systemic reform and long-term funding.

But whoever forms the next Tasmanian government will have a lot of difficult decisions to make about servicing debt and finding efficiencies while also paying for the services people need and should expect from their leaders.

So long as the network remains patchy, infrequent, unreliable and inaccessible to so many, the full benefit of everything else government spends money on cannot be fully realised.

Public transport should be the issue that defines this election. The absence of reliable services already defines the lives of thousands of Tasmanians every single day.

References

- ACT Government. Budget papers 2025-26 & previous ACT budgets. *ACT Government Treasury*. Accessed online: <https://www.treasury.act.gov.au/budget/previous-act-budgets>
- Alston, P. Khawaja, B. Riddell, R. (2021, July) Public Transport, Private Profit: The Human Cost of Privatizing Buses in the United Kingdom. *Centre for Human Rights and Global Justice*. Accessed online: <https://chrj.org/2021-07-privatization-bus-united-kindgom/>
- Australian Bureau of Statistics. (2004, December) *National State and territory population*. Accessed online: <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/dec-2024#data-downloads>
- Australian Government Centre for Population Projections, Budget 2025-26, Accessed online: <https://population.gov.au/data-and-forecasts/projections>
- Hinchliff, C & Taylor, I (2021, March) Every village, every hour: a comprehensive bus network for rural England. *CPRE & Transport for Quality of Life* Accessed online: <https://www.cpre.org.uk/wp-content/uploads/2021/03/every-village-every-hour-report.pdf>
- Douglass, M. (2024). A Better Deal: Fixing Tasmania’s Broken Public Transport System. *The McKell Institute*. Accessed online: <https://mckellinstitute.org.au/research/reports/a-better-deal/>
- Dunlevie, J. & Duggan, J & Oong, S. (2025, June 5) No-confidence motion against Tasmanian premier succeeds after speaker’s tiebreak – as it happened. *ABC News*. Accessed online: <https://www.abc.net.au/news/2025-06-05/day-two-no-confidence-motion-tasmanian-parliament/105376328>
- Eslake, S. 2025. Initial Assessment – Potential Government Business Divestment: Stage 1 Report. *Department of Treasury & Finance*. Accessed online: <https://www.sauleslake.info/tasmanian-government-privatisation-assessment-stage-one-report/>
- Ford, L. (2025, June 20) Metro drivers told to hide money when within Glenorchy bus mall. *ABC News*. Accessed online: <https://www.abc.net.au/news/2025-06-20/metro-bus-drivers-hiding-money-when-in-glenorchy-bus-mall/105442116>

Gruen, N. (2025, January 1) Independent Review of the Macquarie Point Stadium. *Lateral Economics*. <https://lateraleconomics.com.au/wp-content/uploads/Independent-review-of-Macquarie-Point-Stadium-%E2%80%94-Current-1.pdf>

Humphries, A. (2021, May 13) Peter Gutwein welcomes third consecutive election win for Tasmanian Liberals. *ABC News*. Accessed online: <https://www.abc.net.au/news/2021-05-13/peter-gutwein-speaks-after-historic-relection/100136330>

Infrastructure Australia. (2020). Infrastructure Priority List: Project and Initiative Summaries. *Infrastructure Australia*. Accessed online: <https://www.infrastructureaustralia.gov.au>

International Transport Forum. (2017). *Strategic infrastructure planning: International best practice* (ITF Policy Papers No. 29). OECD Publishing. <https://doi.org/10.1787/4142787d-en>

Government of Western Australia. (2025, June 19). *Western Australia State Budget 2025-26*. Accessed online: <https://www.ourstatebudget.wa.gov.au/previous-budgets.html>

Government of Western Australia. Previous budget. Accessed online: <https://www.ourstatebudget.wa.gov.au/previous-budgets.html>

Killick, D. 2025, March 19. Tasmanian union warns against privatisation of Metro buses. *Herald Sun*. Accessed online: <https://www.heraldsun.com.au/news/tasmania/bus-union-rejects-government-bid-to-privatise-metro/news-story/a34ae7e102e782d1837904ee8f057e0e?>

Langenberg, A. (2021, March 26) Peter Gutwein calls Tasmanian state election for May 1. *ABC News*. Accessed online: <https://www.abc.net.au/news/2021-03-26/tasmania-state-election-announcement/100022084>

Langenberg, A. (2023, May 12) How a multi-million-dollar stadium deal has put the Tasmanian government in political peril. *ABC News*. Accessed online: <https://www.abc.net.au/news/2023-05-12/tasmanian-government-resignations-over-stadium/102333846>

Lohberger, L. (2021, March 22) Speaker Sue Hickey ‘sacked’ from Tasmanian Liberal Party. *ABC News*. Accessed online: <http://abc.net.au/news/2021-03-22/tas-speaker-sue-hickey-to-be-disendorsed-by-liberals/100020314>

Metro Tasmania. (2023, September 25) Metro welcomes Tasmanian Government Action Plan (media release). <https://www.metrotas.com.au/media/metro-welcomes-tasmanian-government-action-plan/>

Metro Tasmania. (2024). Annual Report 2023–24. MetroTas. Accessed online: <https://www.metrotas.com.au/corporate/publications/annual-report/>

Minister for Transport. (2024, May 30) Half price public transport on its way, media release. Accessed online: <https://www.premier.tas.gov.au/latest-news/2024/may/half-price-public-transport-on-its-way>

NSW Parliament. (2022). Privatisation of bus services (Report No. 18, Portfolio Committee No. 6 – Transport). *Parliament of New South Wales*. Accessed online: <https://www.parliament.nsw.gov.au/lcdocs/inquiries/2858/Report%20No.%2018%20-%20PC%206%20-%20Privatisation%20of%20bus%20services.pdf>

Northern Territory Government. (2025, May 7) NT Budget 2025-25. Accessed online: <https://budget.nt.gov.au/>

Northern Territory Government. Previous budget papers. *Department of Treasury and Finance*. Accessed online: <https://treasury.nt.gov.au/dtf/financial-management-group/previous-budget-papers>

Parliament of Tasmania. (1934). *Constitution Act 1934* (Tas), s. 23. Accessed online: <https://www.legislation.tas.gov.au/view/pdf/authorised/2022-03-18%202022-04-06/act-1934-094>

Premier of Tasmania. (2025, March 4) Strong economy Government's major focus (media release). Tasmanian Government. Accessed online: <https://www.premier.tas.gov.au/latest-news/2025/march/strong-economy-governments-major-focus>

Premier of Tasmania. (2025, June 7) Super majority required for any privatisation (media release). Tasmanian Government. Accessed online: <https://www.premier.tas.gov.au/latest-news/2025/june/super-majority-required-for-any-privatisation>

Premier of Tasmania. (2025, June 11) Statement from the Premier (media release). Tasmanian Government. Accessed online: <https://www.premier.tas.gov.au/latest-news/2025/june/statement-from-the-premier3>

Pulse Tasmania. (2025, March 19). RTBU warns privatisation of Metro buses will lead to job cuts and higher fares. *Pulse Tasmania*. Accessed online:

<https://pulsetasmania.com.au/news/metro-drivers-unite-with-opposition-mps-in-fight-against-privatisation-plans/>

Queensland Government. (2025, June 24) Queensland Budget 2025-26, *Queensland Treasury*. Accessed online: <https://budget.qld.gov.au/budget-papers/>

Queensland Government. Previous budget papers. *Queensland Treasury*. Accessed online: https://www.treasury.qld.gov.au/resources/?fwp_tags=budget

Rockliff, J. & Jacqui Lambie Network. (2024, April 10) Confidence and Stability Agreement Between the Hon. Jeremy Rockliff MP, Premier and Parliamentary Members of the Jacqui Lambie Network, s.5(iii). Tasmanian Government. Accessed online: <https://live-production.wcms.abc-cdn.net.au/a20e981b42df845d3357aa22507c7847>

Rowney, M. & Straw, W. (2014, August) Greasing the Wheels: Getting Our Bus and Rail Markets On The Move, *Institute for Public Policy Research*. Accessed online: https://ippr-org.files.svdcn.com/production/Downloads/greasing-the-wheels_Aug2014.pdf?dm=1702047189

Government of South Australia. (2025, June 5) South Australian Budget 2025-26. *Department of Treasury and Finance*. Accessed online: <https://www.statebudget.sa.gov.au/budget-papers>

Tasmanian Government budget papers archive. *Department of Treasury and Finance*. Accessed online: <https://www.treasury.tas.gov.au/budget-and-financial-management/2025-26-tasmanian-budget/budget-papers-archive>

Tasmanian Government. (2025). 2025–26 Budget Papers. *Department of Treasury and Finance*. Accessed online: <https://www.treasury.tas.gov.au/budget-and-financial-management>

Tasmanian state election called, as Australia’s only Liberal premier sets March 23 date for poll. (2024, February 14) *ABC News*. Accessed online: <https://www.abc.net.au/news/2024-02-14/tasmania-jeremy-rockliff-calls-early-election/103420790>

Tasmanian Government. (2019). Hobart City Deal. *Department of State Growth*. Accessed online: <https://www.stategrowth.tas.gov.au/hobart-city-deal>

Taylor, I. & Sloman, L. (2016, May) Building a world-class bus system for Britain, *Transport for Quality of Life*. Accessed online:
<https://www.transportforqualityoflife.com/reports/building-a-world-class-bus-system-for-britain/>

The Guardian. (2023, May 12). Resignations over Hobart stadium plunge Tasmanian government into minority. The Guardian. Accessed online:
<https://www.theguardian.com/australia-news/2023/may/12/resignations-over-hobart-stadium-plunge-tasmanian-government-into-minority>

Victorian Government 2025-26 State Budget. (2025, May 20) *Department of Treasury and Finance*. Accessed online: <https://www.dtf.vic.gov.au/state-budget>

Victorian Government previous budgets archive. *Department of Treasury and Finance*. Accessed online: <https://www.dtf.vic.gov.au/previous-budgets>