

12 December 2024

Department of Treasury and Finance

Via email: governmentbusiness@treasury.tas.gov.au

Re: Government Business Governance Reform

Civil Contractors Federation Tasmania appreciates the opportunity to provide feedback on the Government's proposed GBE Governance Reforms.

In general, we are supportive of the intent and direction of the governance changes which have been proposed.

The current GBE governance structure is inadequate and is failing Tasmania.

Additionally, we provide the following comments and suggestions:

Principal objectives of GBEs

- With reference to Clause 7 of the Government Business Enterprise Act 1995, "Principal objectives of Government Business Enterprise"
Apart from subclause 7.1b) there appears to be no requirement to act in the best interest of Tasmanian citizens in a coordinated manner with other GBEs, but rather (understandably) has a profit incentive.
We suggest this "objectives" section needs significant tightening to put the interests of Tasmania first. With a balance of accountability on profit and community benefit.

Accountability of GBE's and SOC's

- We note that commercial accountability in the operation of GBE's/SOC's in respect of service delivery to Tasmania is lacking under the current structure.
We suggest that GBE's and SOC's are held accountable in relation to service delivery outcomes and impacts, with a financial penalty when timelines are not met.
We further suggest more transparency and annual open reporting to the Tasmanian community.

Targeting more than 75% of Tasmanians on Boards

- We note that both the TT-Line and TasPorts boards already meet, or have recently met, the 50% threshold recommended - and it did not prevent the issues that occurred recently.

We suggest a target of 75% Tasmanian is more appropriate

We further suggest that chairs of GBEs also be Tasmanian.

Board Limits – One Board Only

- We suggest that individuals be limited to one GBE/SOC only, except in exceptional circumstances.

This would help to avoid real and perceived conflicts of interest.

Skills based positions be purposefully considered

- The current Board appointment approach results in people qualified as lawyers, accountants, HR etc dominating board membership.
We should be seeking the best people for the job, with the right skills and experience to guide, advise and oversee the operations of a particular GBE/SOC, a fit for purpose Board. There should be a minimum of two Board members with genuine operations and profit centre experience with at least one having had that experience in the relevant sector.

Remuneration Review

- We suggest a review be undertaken of current remuneration levels for both Board members and Chairs to ensure it is consistent with both the private sector, the size of the organisation, it's capacity to support the expense and importance of the roles to Tasmania
Different GBE/SOC Boards may require differing levels of remuneration.

Recruitment

- The current process run by Treasury does not appear to be working.
We suggest making the Department of Premier and Cabinet, as the central government agency, responsible for Board recruitment.
Existing Board members (with the exception of the Chair) should not be involved at any level in the recruitment and appointment of Board members.
To the extent that head-hunters/recruitment agencies are used, these should be Tasmanian businesses.

Proposed Merger of TT-Line/TasPorts/TasRail

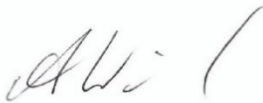
While this proposed merger is not part of the governance reforms, we provide the following feedback for your consideration:

Based on the information we have seen and heard, Civil Contractors Tasmania does not support a merger between TT-Line and TasPorts and/or TasRail. These businesses are very different, and we do not see how a merger would in any way improve their operations.

To the contrary, we are concerned that such a merger could lead to anti-competitive practices and cross-subsidisations between the shipping and port arms of any such merged company, to the detriment of consumers and Tasmanian businesses.

Thank you for the opportunity to comment on the proposed GBE reforms, if you would like any further information, please don't hesitate to contact me directly at [REDACTED]

Yours sincerely



Andrew Winch
Chief Executive Officer
Civil Contractors Federation Tasmania