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11 December 2024

Shareholder Policy and Markets Branch
Department of Treasury and Finance
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Dear Sir/Madam,

Government Business Governance Reform Draft Plan Consultation

The Housing Industry Association takes this opportunity to comment on the Government Business Governance Reform Draft Plan.

HIA is Australia's only national industry association representing the interests of the residential building industry. As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. The Association's members deliver new housing estates, build detached homes, low and medium-density housing developments, apartment buildings, and undertake renovations to Australia's 10 million existing homes.

HIA members comprise a diverse mix of businesses, including volume builders delivering thousands of new homes a year through to small and medium home builders delivering a small number of custom built homes each year. HIA's membership also include a wide range of businesses in the industry's supply chain ranging from those providing professional services businesses to the manufacturing and supply of building materials and products. From sole traders to multi-nationals, HIA members have a role in nearly every new home built in Australia.

HIA's interest in the Government Business Governance Reform Draft Plan relates to the crucial role that Government owned businesses have in delivering essential infrastructure that enables residential development.

The homes required to meet the needs of the Tasmanian community can only be built after the enabling infrastructure has been delivered. This relies on TasNetworks for electricity, TasWater for water supply and waste-water management, and Metro Tasmania for public transport links connecting new communities. In addition, Forestry Tasmania is a significant stakeholder in supply chain for timber and other forest products used in construction.

These Government owned businesses must have the capacity to engage with the private sector to deliver the enabling infrastructure necessary for residential development efficiently.

We acknowledge the Tasmanian Government's commitment to improving the governance and performance of its businesses. However, we wish to ensure that reforms deliver a positive impact for the community through addressing to the housing supply challenges facing the state.

Support for Transparency and Accountability

The proposed measures to improve governance, such as board renewal mandates, enhanced performance monitoring, and stricter accountability for non-commercial activities, are commendable.

These reforms should ensure government businesses act in the best interests of Tasmania. However, these must facilitate collaboration with the private sector, particularly in housing development, where government and private partnerships can maximise efficiency and impact.

Risk of Bureaucratic Overreach

While increased oversight and improving mechanisms to enable rectification of poorly performing businesses where necessary, it is important to recognise the rationale for Government owned businesses operating independently at arms-length from Government.

The independence and expertise of company directors and boards of Government owned businesses should be respected. Reforms which grant Shareholding Ministers additional powers to intervene in the governance and operation of state owned businesses should have appropriate safeguards to ensure that these are exercised judiciously and only in extenuating circumstances.

There is a risk of bureaucratic delays that may hinder timely decision-making. Particularly for infrastructure projects critical to housing development. Reforms that seek to influence businesses processes, such as requiring government approval for joint ventures, must occur efficiently and encourage private sector engagement.

Infrastructure Investment Alignment

The emphasis on reviewing transport and energy-related businesses is crucial but must include coordination with the residential development sector. Affordable and sustainable housing relies on efficient delivery of infrastructure. Prioritising investments that support housing projects—such as transport and energy infrastructure for new communities—is essential for addressing housing supply challenges.

Leveraging Local Supply Chains

We support the principle of placing Tasmanians first and recommend further integration of local suppliers in government-led housing and infrastructure initiatives. This approach will not only bolster the industry's supply chain but also enhance economic resilience and employment.

In summary, the draft plan presents a foundation for improved governance and should ensure the operations of Government owned businesses work in alignment with Government priorities.

Given the significance of the housing affordability challenges facing many Tasmanian households and the role that housing supply has in resolving these challenges, the extent to which these reforms can support housing supply should be a key consideration.

We look forward to contributing to this consultation process and ensuring these reforms work for all Tasmanians.

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED

P. Vaughan

Phil Vaughan
Executive Director – Tasmania (acting)