

Department of Treasury and Finance

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13th December 2024

Response to Government Business Governance Reform – Draft Plan

Dear Sir/Madam,

Master Builders Tasmania (MBT) welcomes the opportunity to comment on the Government Business Governance Reform Draft Plan. Established in 1891, MBT currently represents approximately 650 building and construction businesses in the State, including residential and commercial builders, contractors, trade suppliers, and service providers. Our organisation is committed to safeguarding and promoting the interests of our members and the Tasmanian community by advocating on behalf of the building industry to actively seek improvements in the conditions under which the industry operates.

There's very few industries that are as exposed to GBEs as building and construction. At every step of the way, we are interacting with GBEs and government entities. From importing building materials via TT Line, TasPorts and TasRail, to managing headworks issues with TasNetworks, nearly every stage is affected. Consequently, our industry requires a high level of operational efficiency, transparency, and accountability from these entities.

It's crucial that our GBEs and state entities are operating effectively and efficiently and what the Government has outlined today is the right approach. It's important that our GBEs and other public entities like TasWater and Homes Tasmania are working in the best interests of Tasmanians. There are too many examples of government entities getting in the way, delaying projects and adding unreasonable costs.

We commend the Government for initiating this reform process, however we stress they will be judged on how well these reforms are implemented and whether or not they deliver the improvements that they've promised.

To that end, we believe that the Government should incorporate the following principles as part of its reform process:

Key Areas of Concern and Recommendations:

- The Tasmanian GBE/SOC sector should act in the interests of the community and businesses that rely on their services and should consult regularly with relevant business and industry groups.
- Each GBE/SOC should have a charter that is reviewed at least every two years and the Government as well as GBEs and SOC's should consult with relevant business and industry groups when reviewing a charter.
- Shareholder ministers should issue a statement of expectations annually to each GBE/SOC, which must be developed in consultation with relevant business and industry groups. The statement of expectations must be released publicly and GBEs and SOC's should report progress against the statement of expectations at least twice annually.

- No one should be able to serve on the board of more than one GBE/SOC at any one time, with individual term limits of eight years.
- The Government must consult with relevant business and industry groups on any board vacancy, prior to Cabinet consideration of filling that vacancy.
- The proposed governance and reporting changes identified in the GBE/SOC review should be applied as much as possible to government related businesses such as TasWater and Homes Tasmania.

By incorporating the enhancements detailed in the draft plan, the Government can ensure an operating framework that not only improves the efficiency and accountability of GBEs and SOCs but also fosters stronger partnerships with the private sector for the benefit of Tasmania.

Thank you for considering our submission. We look forward to working with the Government and other stakeholders to ensure these reforms deliver meaningful outcomes for Tasmania.

Regards



Jessie Fiddymont
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Master Builders Association of Tasmania

