



SUBMISSION TO THE GOVERNMENT BUSINESS GOVERNANCE REFORM DRAFT PLAN

As the peak body for the Information, Communications and Technology sector in Tasmania, TasICT welcomes the opportunity to provide input to the draft Plan for Government Business Governance Reform.

Many technology businesses in Tasmania rely heavily on economic activity generated from Government businesses, including Government Business Enterprises (GBEs), State-Owned Authorities (SOCs) and other Public Non-Financial Corporations (PNFCs). The Tasmanian Government's Technology Industry Sector Scan of 2022 (undertaken by Deloitte) estimated the total revenue associated with the technology sector in Tasmania at \$1.7b in 2020-21. The Scan found that the largest client supported by the sector was the State Government at 38% of total activityⁱ – underscoring the pivotal importance of State Government expenditure in supporting the growth and development of the Tasmanian technology sector.

In this context, many technology firms have raised concerns with TasICT regarding the strategic nature of purchasing and procurement as well as transparency.

TasICT notes and strongly supports the Reform Draft Plan's clear intent at page 16 that governance of Government businesses must emphasise the interests of Tasmanians at the 'apex' of what they do. To help deliver upon this intent, TasICT raises the following areas that are of great importance to the technology sector:

1. SOCIAL AND ECONOMIC BENEFITS TEST

TasICT strongly supports the intention within the Plan to apply Treasurer's instructions to all Government businesses and for the removal of doubt to have a clear statement that the instructions apply to GBEs, SOCs and PNFCs, including their subsidiaries and joint ventures (See Plan at page 17)

Of special significance is the Social and Economic Benefits (SEB) Test which should be applied to all Government entities.

The application of the SEB Test also needs to be strengthened to accurately capture the contribution of Tasmanian businesses.

TasICT has been engaging with the State Government to develop a revision of the current SEB test template to ensure businesses responding to tenders are able to provide a greater level of detail to demonstrate their Tasmanian *bona fides*, including their current and future investments in the State.

The key area that the current template does not address is the ability for government representatives to validate information provided by tenderers and to assess proclaimed value to the procurement opportunity.

This item is of high priority for the technology sector, because the current template is currently working detrimentally in regard to Tasmanian businesses because of the lack of accountability for content from some tenderers.



2. STATEMENTS OF CORPORATE INTENT

The technology sector suggests the same level of detail and assessment criteria percentage currently placed on departmental agencies, also be placed on GBEs, SOCs and PNFCs (since 1st August 2024, this has been set at 30% of the assessment criteria total).

Currently, there is very little ability to demonstrate current and future investments in the State as part of any procurement process with GBEs, SOCs and PNFCs, and the Social and Economic Benefits Test does allow a clear mechanism for this to happen.

TasICT therefore suggests that Statements of Corporate Intent clearly convey the intention of Government businesses to adhere to this standard.

3. COMPETITIVE NEUTRALITY

TasICT has a long-standing position of endorsing local businesses to grow and expand. As such Government businesses should respect and adhere to the well-established principles that Government entities should not use the advantage provided by access to taxpayer-funded resources to compete unfairly against the private sector. In this regard, TasICT strongly supports the statement of concern in the Plan at page 12 re “increasing potential for competition with the private sector raising competitive neutrality concerns;” and requests that all government entities be required to adhere to strict guidelines to ensure competitive neutrality with the private sector in any product development or service provision.

4. SUPPORT FOR LOCAL ICT SECTOR AND TASMANIA’S DIGITAL ECONOMY

TasICT suggests as part of the Plan that Workforce Development and Diversity targets be devised to include gender and cultural diversity as well as the creation of entry-level ICT jobs, to build a sustainable industry, and promote jobs in Tasmania.

TasICT suggests that as the State Government intends to transition Boards over time to be at least 50% Tasmanian composition, there should also be representation at the Board table for ICT governance, including proper recognition of the role of technological innovation and cyber security risk assessment as a fundamental part of governance activity, given the impact on the digital economy and the risk/importance of these issues.

Similar to the aspirational targets of other sectors, TasICT suggests that Government business entities similarly set percentage targets for the awarding of tenders to Tasmanian businesses, including in the ICT sector, and focus on mechanisms to encourage and educate local businesses on how to win such tenders so that there is improvement in capacity among local businesses to secure opportunities over time.



TasICT has received industry feedback that it would be beneficial for the introduction of tender reviews for unsuccessful respondents, providing transparency and allowing for capacity building in the sector.

TasICT thanks the Tasmanian Government for the opportunity to participate in the review process for the Plan and looks forward to the Plan's final outcomes and implementation.

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ⁱ Deloitte, Tas Tech Sector Scan, 2022, p. 57 see <https://www.deloitte.com/au/en/services/economics/perspectives/tasmanian-technology-sector-market-scan-capability-mapping.html>