29 July 2026

The formation of Virtual Twin Tas pty ltd by Tasmanian Networks and its subsidiary FortyTwo24 pty ltd

Submission to Tasmanian Government
Department of Treasury and Finance
Government Business Governance Reforms Bill 2026

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Executive Summary:

This paper identifies an accountability gap within Tasmania's Government Business Governance Framework. It raises the question whether a State-owned company can establish a jointly owned commercial enterprise in circumstances where no regulator is able to independently assess the arrangement in its entirety.

This paper respectfully suggests:

- **that an independent assessment of VTT's formation and governance would assist in determining whether the current Government Business governance framework adequately addresses jointly owned commercial enterprises established by State-owned Companies.**

As a public submission on the Government Business Governance Reforms Bill 2026, this paper suggests:

- **any Government Business establishing a jointly owned commercial entity should require Shareholding Minister approval.**
- **Joint ventures involving Government Businesses should be expressly subject to Competitive Neutrality and Government Business governance requirements.**
- **A single independent authority should have jurisdiction to review the governance, statutory compliance and policy compliance of such arrangements *in their entirety*.**

Background

This paper raises governance issues arising from the establishment of **Virtual Twin Tas Pty Ltd (VTT)**, a 50/50 joint venture formed in May 2022 between **FortyTwo24 Pty Ltd** a wholly owned subsidiary of TasNetworks and Enzen Australia (Figure 1).

The principal issue is not whether VTT has acted improperly, but whether the current legislative and governance framework creates an accountability gap when Government Business Enterprises, including State-owned Companies, participate in commercial joint ventures.

TasNetworks has advised that, because VTT is a jointly owned company rather than a subsidiary, its establishment did not require Shareholding Minister approval and was instead a matter for the TasNetworks and FortyTwo24 Boards. This appears to place VTT outside aspects of the governance framework that would otherwise apply to Government Business Enterprises and their subsidiaries.

In evidence to the House of Assembly Government Businesses Scrutiny Committee on 3 December 2024, TasNetworks' Chief Executive Officer, Dr Seán McGoldrick, confirmed that TasNetworks entered the joint venture to create a statewide digital twin and that the resulting geospatial data would be made available to a broad range of public and private infrastructure owners.

The paper examines the impact of VTT's market entry on Tasmania's established remote sensing industry. It notes that, prior to VTT, government and private organisations could procure aerial survey, LiDAR and related geospatial products directly from competing commercial providers. The paper questions whether the current governance arrangements provide sufficient transparency and oversight when a Government Business-owned commercial entity participates in that same market.

The purpose of this paper is to encourage consideration of whether Tasmania's Government Business governance framework adequately addresses:

- accountability for Government Business joint ventures;
- transparency of commercial activities undertaken through jointly owned entities;
- competitive neutrality and ring-fencing provisions where Government-owned entities compete with private industry; and
- the effectiveness of existing oversight mechanisms.

The paper is offered as a contribution to discussions on public sector governance.

Key Correspondeces from TasNetworks

On 30 May 2022, a loan agreement was established between TasNetworks subsidiary FortyTwo24 and FortyTwo24's 50% owned joint venture (Virtual Twin TAS Pty Ltd). This agreement provides access to a loan facility whereby Virtual Twin TAS may utilise borrowings of up to $1 million from FortyTwo24

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"TasNetworks advised Shareholder Ministers of its intent for its 42-24 subsidiary to form a 50% owned Joint Venture (Virtual Tas). While approval is required to be sought from Shareholding Ministers in relation to the establishment of a subsidiary by 42-24, a joint venture that is owned on a 50/50 basis is not considered to be a subsidiary. Under the governance framework, the decision to enter into a Joint Venture is the responsibility of the TasNetworks and 42-24 Boards."

[redacted]
Head of Stakeholder Engagement
TasNetworks 2 February 2023

"With respect to Virtual TAS, one of the things that we would like to do for the benefit of us as infrastructure developers and owners – linear infrastructure across all of the island – is we would like to have a lot more accurate data in terms of the geospatial data where our assets are located throughout the island."

- "we entered the joint venture and incorporated that with one of the leading providers in this area…"
- "This is joint ownership of the work program."
- "we can make that data available to a wide range of infrastructure owners, both private and public."

Dr Seán McGoldrick – Chief Executive Officer, TasNetworks
Parliament of Tasmania
House of Assembly – Government Businesses Scrutiny Committee
Public Hearing – Tuesday 3 December 2024

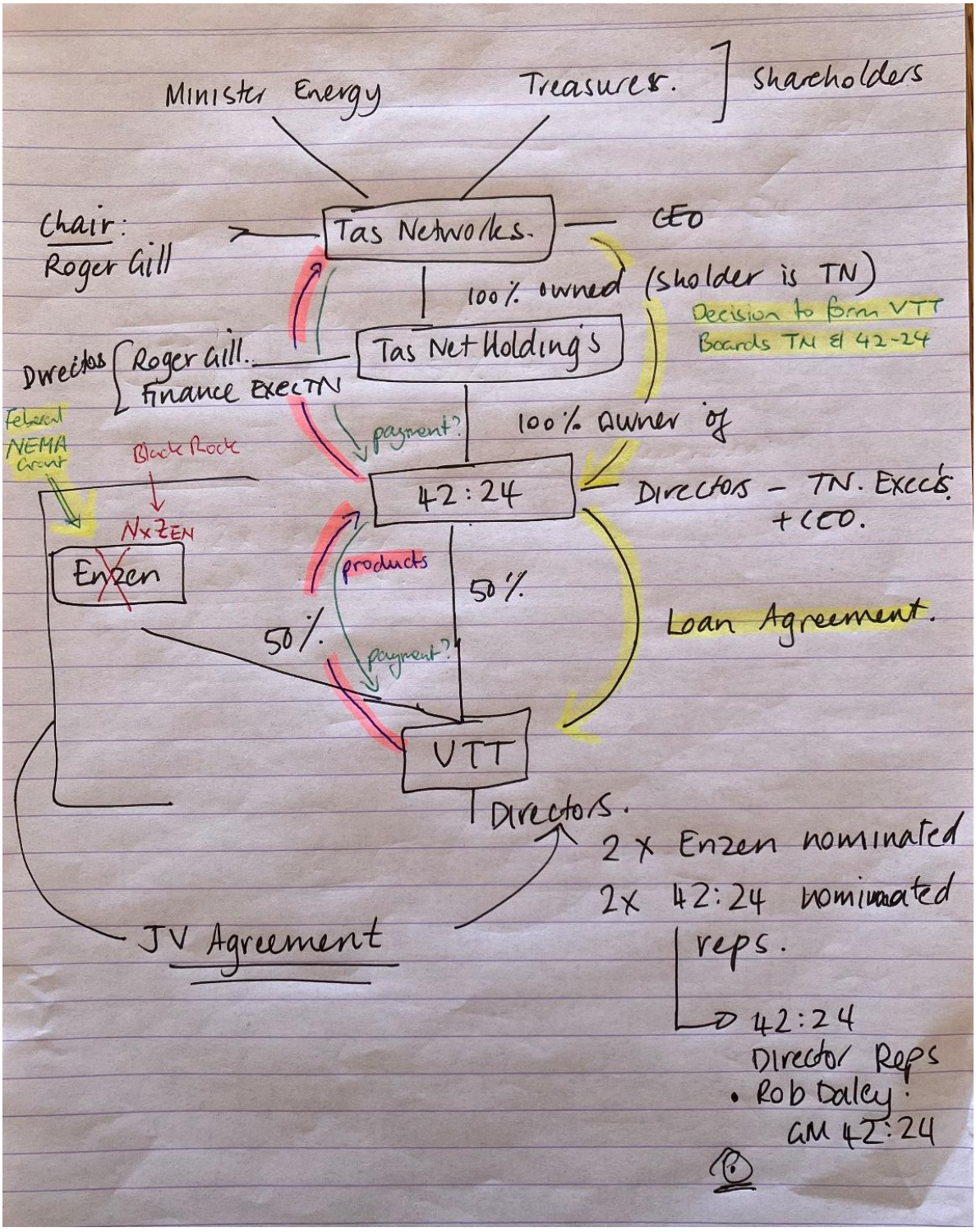

Fig 1: A possible structure of TN, 42-24, VTT, Enzen (now Nxzen and BlackRock Inc.) and federal agency NEMA via its grant, *Disaster SMART Tasmanian Communities*.

Key Issue	Evidence / Factual Basis	Possible Governance / Legal Implications Requiring Independent Assessment
1. Board authority versus Shareholder oversight	TasNetworks advised that Shareholder Ministers were informed of the proposal to establish VTT, but formal approval was not sought because a 50/50 joint venture was not regarded as a subsidiary. The decision was instead made by the Boards of TasNetworks and 42-24.	Raises the fundamental governance question of whether the Board of a State-owned company can expand the State's commercial activities by establishing a jointly owned commercial enterprise without explicit shareholder approval.
2. Ministerial approval was not sought	Ministers were advised of TasNetworks' intention to establish VTT but were not asked to approve the proposal.	Raises the question whether a significant new commercial undertaking proceeded without the level of Ministerial scrutiny contemplated by the Government Business Governance Framework (GBGF) and the Guidelines for Tasmanian Government Businesses – Subsidiary Companies and Joint Ventures.
3. No whole-of-government assessment appears to have occurred	Every regulator approached has either advised that only part of the matter falls within its jurisdiction or that it has no jurisdiction to investigate. No agency has identified that such an integrated assessment occurred prior to VTT commencing commercial operations.	Suggests there may have been no independent assessment considering governance, statutory purpose, Competitive Neutrality, ring-fencing, procurement obligations, financial management requirements and Ministerial oversight collectively before VTT commenced operations.
4. Competitive Neutrality accountability gap	The Treasurer has stated that all Government businesses, including those partially owned, are expected to comply with the Government's Competitive Neutrality Policy. OTTER has nevertheless advised that VTT is outside its jurisdiction because it is not a prescribed entity.	Raises the question whether Government policy can be effectively enforced where no regulator has jurisdiction to independently assess compliance.
5. Ring-fencing accountability gap	The Australian Energy Regulator has advised that VTT is not a Network Distribution Service Provider and	Raises the question whether any independent assessment examined whether regulated assets, information, expertise or capabilities

Key Issue	Evidence / Factual Basis	Possible Governance / Legal Implications Requiring Independent Assessment
	therefore falls outside its jurisdiction.	may have benefited VTT contrary to the intent of ring-fencing principles.
6. Structural advantage derived from TasNetworks' statewide asset base	TasNetworks possesses a unique statewide electricity network. Mr McGoldrick stated that TasNetworks identified the opportunity to create a whole-of-state digital twin to match the scale of its operation and entered into a long-term foundation customer arrangement with VTT.	Raises the question whether a State-owned company has leveraged structural advantages arising from public ownership to establish a commercial enterprise capable of competing in contestable markets in a manner inconsistent with the objectives of Competitive Neutrality.
7. Market distortion arising from guaranteed work	Since 2013, the Tasmanian Imagery Program (TIP) has procured aerial imagery and LiDAR on a project-by-project basis. Local operators have built their businesses *around the scale of this well-established competitive market.* TasNetworks' guaranteed long-term work program enables VTT to utilise aircraft and LiDAR systems that would otherwise be commercially over-capitalised for the Tasmanian market alone.	Raises the question whether a guaranteed government-derived workload enables VTT to bid at prices that private operators cannot sustainably match, potentially distorting competition and foreclosing opportunities for existing businesses.
8. Procurement under the Tasmanian Imagery Program (TIP)	TIP is effectively the principal avenue through which remote sensing companies access publicly funded aerial survey work in Tasmania. DNRE has advised that it does not assess Competitive Neutrality or ring-fencing when evaluating tenderers.	Raises the question whether procurement conducted under the Financial Management Act framework adequately considered all relevant Government policies before contracts were awarded.
9. Expansion beyond TasNetworks' statutory purpose	VTT is a surveying company that operates commercially in remote sensing and related geospatial markets beyond TasNetworks' regulated electricity network functions.	Raises questions as to whether the establishment and operation of VTT align with TasNetworks' statutory purpose and the expectations of Government regarding State-owned companies entering new commercial markets.

Key Issue	Evidence / Factual Basis	Possible Governance / Legal Implications Requiring Independent Assessment
10. Members' Statement of Expectations	The Members' Statement of Expectations provides that joint ventures should align with TasNetworks' core business and comply with the relevant Government guidelines governing subsidiaries and joint ventures.	Raises the question whether VTT's commercial activities are sufficiently aligned with TasNetworks' core business and whether the relevant governance framework was fully applied.
11. Governance and conflict of interest	TasNetworks' CEO also serves as Chair of VTT while TasNetworks is VTT's principal long-term customer. TasNetworks was instrumental in creating the joint venture and directing work to it.	Raises governance questions regarding the management of actual or perceived conflicts of interest, independence of decision-making and Board oversight.
12. Public procurement and commercial competition	VTT has subsequently competed for public and private LiDAR contracts, including contracts awarded under the TIP scheme. Existing Tasmanian operators were not afforded the opportunity to compete for the original long-term TasNetworks work that underpins VTT's business model.	Raises the question whether the commercial advantages flowing from a government-derived foundation contract are consistent with the policy objective that Government businesses should not enjoy unfair competitive advantages in contestable markets.
13. Economic benefit to Tasmania	Prior to VTT, Tasmanian aerial survey work was commonly undertaken by locally based operators using aircraft appropriate to the Tasmanian market. Terrapix, for example, undertakes aerial data capture for interstate companies, bringing interstate revenue into Tasmania. By contrast, VTT's airborne LiDAR acquisition relies upon mainland-based aircraft and crews, meaning a substantial proportion of capture expenditure leaves Tasmania.	Raises the question whether the Boards of TasNetworks and 42-24 adequately considered the broader economic impact on Tasmania when selecting the VTT business model, particularly given Government objectives of supporting local industry and maximising economic benefit from State-owned enterprises.
14. Selection of Enzen as joint venture partner	TasNetworks elected to establish a 50/50 joint venture with Enzen Australia rather than competitively procure remote sensing services. A	Raises the question whether the Boards adequately considered alternative commercial models, including competitive procurement

Key Issue	Evidence / Factual Basis	Possible Governance / Legal Implications Requiring Independent Assessment
	significant component of VTT's operational capability is sourced from outside Tasmania.	from existing operators, and whether the chosen structure represented the most appropriate use of public resources consistent with Government policy.
15. Apparent regulatory accountability gap	OTTER, the Australian Energy Regulator, ACCC, DNRE, the Tasmanian Energy Ombudsman, the Australian Small Business and Family Enterprise Ombudsman and other agencies have each indicated that some or all aspects of the matter fall outside their jurisdiction.	Raises a broader public administration question as to whether Tasmania's governance framework contains an accountability gap whereby a State-owned company can establish a partially privately owned commercial enterprise without any regulator being able to independently assess the entirety of the governance, legality and policy compliance of that arrangement.

A chronology of correspondences and outcomes about the formation of VTT

Date	Authority / Office Contacted	Summary of Issue Raised	Outcome / Response
Sept 2022	Office of the Tasmanian Economic Regulator (OTTER)	Initial Competitive Neutrality Complaint	OTTER informed me on the proper process for submitting a formal complaint and to first engage with TasNetworks
From late 2022	Tasmanian Networks	Formation of VTT	Numerous correspondences used in approaches to authorities and my formal complaint to OTTER (August 2023)
May 2023	Australian Small Business and Family Enterprise Ombudsman Tasmanian Energy Ombudsman	Decisions made by of Tasmanian Networks and its subsidiary, as NDSPs and regulated entities, to form VTT, non-regulated.	ASBFEO - This is a state issue and referred me to OTTER Tasmanian Energy Ombudsman - referred me to OTTER
From May 2023	DNRE	Remote sensing operations of Tasmanian Networks and its subsidiary (regulated entities) operating as VTT (non-regulated). Is the Financial Management Act being used to investigate *all* relevant policy and laws prior to issuing tenders to VTT?	It is not DNRE's responsibility to assess criteria of CN, ring-fencing and the link to Corporations Act.
July 2023	Australian Energy Regulator (AER) and Australian Competition and Consumer Commission (ACCC)	Decisions made by TasNetworks – a NDSP - and its subsidiary that resulted in VTT. Do these Board level decisions comply with CN, ring fencing and Corporations Act?	ACCC stated that this is a state issue and referred me to OTTER. AER stated that the resultant *service provider*, VTT, is not an NDSP so is outside AER's jurisdiction.
Aug 2023	Office of the Tasmanian Economic Regulator (OTTER)	Formal Complaint - Competition neutrality and market conduct of VTT.	OTTER advised it was going to investigate **– suggesting areas of concern -** but was subsequently advised by Solicitor General that VTT is *non-prescribed* and therefore outside its jurisdiction
From March 2024	State Parliament of Tasmania	Joint Select Committee on Energy Matters	My submission was accepted for review however with the state election being called this committee was cancelled and my evidence was not heard
Jan 2025	Letter to DNRE and second approach to OTTER	Formal complaint to DNRE against awarding LiDAR tenders to VTT without an independent assessment of CN, ring fencing and Corporations Act review	DNRE – competitive neutrality and ring fencing is not an issue that is investigated by this state agency. Referred me to AER and OTTER.

		given **The Financial Management Act** requires an assessment of *<u>all</u>* relevant policy and legislation prior to issuing tenders.	OTTER – given DNRE's recommendation will they investigate? They still say that they cannot investigate the prescribed Boards decisions because the outcome of their decisions is a non-prescribed entity. DNRE know that these matters have not been assessed by OTTER yet continue to recommend I refer to OTTER. DNRE subsequently issue public funds to VTT via the TIP program.
Feb 2025	The Honourable Guy Barnett LLM Tasmanian Treasurer Attorney-General The Hon Dr Andrew Leigh MP. Federal Assistant Minister for Competition	The Boards of Tasmanian Networks and FortyTwo24 (42-24) appear to have exploited a legal loophole (a 50% owned company) that may breach Competition Neutrality, ring fencing, Corporations Act. It appears to undermine the recently signed revitalized National Competition Policy Agreement, yet no regulator has investigated.	Tasmanian Attorney-General – "…all Government businesses, even those partially owned, are expected to apply the Governments Competitive Neutrality Policy…" Assistant Minister for Competition –issues of potential breaches are not assessed federally.
Feb 2025	Office of the Tasmanian Economic Regulator (OTTER)	Given Tasmanian Attorney-General's expectation will OTTER now investigate?	OTTER have no legal capacity to investigate non-prescribed entities despite the AG's expectation.
April 2025	AER (second approach focussing on ring fencing)	Can they investigate possible breaches of ring-fencing guidelines by the **Board of TasNetworks and subsidiary – the entities under question** - in working to set up, own and manage VTT – the entity not under question in this instance?	VTT, the result of the Boards decisions, is not a NDSP so is outside AER's jurisdiction.
July 2025	National Emergency Management Agency	During the grant assessment process, was consideration made on the effects on the local industry, Competitive Neutrality and ring-fencing and potential issues of law under the Corporations Act?	NEMA's expectation is that grant recipients uphold all relevant laws and policies.
Oct 2025	Auditor-General, Tasmanian Audit Office	Request to investigate	They only report to Parliament. They will not communicate back to me if an investigation has or hasn't occurred.
July 2026	Submission to Treasury, GBGE	This document	

Transcript of evidence given to Tasmanian Parliament

The purpose of this section is to bring attention to my observations to the responses from Tasmanian Networks' CEO, Mr McGoldrick when he responded to Mr Bayley's questions in Parliament. The numerals in the text represent topics for discussion and are given further below.

Reference: **Parliament of Tasmania. House of Assembly – Government Businesses Scrutiny Committee. Tasmanian Networks Pty Ltd. Public Hearing – Tuesday 3 December 2024**

Mr McGOLDRICK – For sure, and I must apologise for using that phrase in what was a PowerPoint briefing that had some detail behind it and a lot of discussion. All that discussion and detail explained that it was joint ownership of the work program. This is not joint ownership of assets. This is not joint ownership of a business or a company. This is joint ownership of a work program. (1)

Unfortunately, the existing contract is not as modern as it could be. One of the things that gives rise to is if there was a small change, a variation in the delivery schedule or the necessary elements of the work program, as can happen from time to time, that resulted in variation requests and a different view of how to schedule things and how to pay for things.

In a more modern contract, the idea is that you have joint ownership of the program, so you commit to a program of work and if there is a small change in either the timing or the nature of what you're trying to deliver, everybody cooperates and it doesn't necessarily result in a variation request or extra funds having to flow to the contractor. It's a more adult approach to working together. It is truly joint ownership of the program. Of course, if there is a large variation and a big change or additional work put in, the agreement would have clauses to deal with that, but it is truly joint ownership of the work program to the benefit of Tasmanians in order to drive down costs and make sure that the delivery schedules are kept tight.

It has nothing to do with privatisation. We have no mandate to privatise anything. There was no intention to do that. This is simply about procuring more efficiently (2) and in a modern context work that we give out and have always given out to the market. There is no impact on the work we deliver internally. We have a certain percentage of work that we deliver ourselves and then there is work that we give out to the market, both for smaller and larger contractors. If the procurement goes ahead and we arrive at this new contract, it will be a more efficient way to do things. It will not change the percentage of work that we do externally or internally, or indeed between large contractors and smaller contractors.

Mr BAYLEY – I'm glad to hear that; that will give comfort to a lot of people. You can forgive the concerns around the joint ownership model and that language and I accept you're saying now that it's clunky language.

TasNetworks, through 42-24, has established a joint venture, Virtual Tas, to do a range of works that used to be contracted out and could have been contracted out, so it's fair to say that there are people who are a little twitchy about some of this, and we have constituents coming to us raising questions about Virtual TAS. That business is obviously on a smaller scale than something that would go to a single-tier contractor, but it is nonetheless potentially displacing local operators. Can you tell us about the work Virtual TAS has does and how and why the decision was made to effectively establish a joint venture to do that survey and monitoring work that Virtual Tas does?

Mr McGOLDRICK – First of all, 42-24 is our unregulated arm that sells extra capacity on our telecommunications network and provides data centres and some related IT services. It's a small profitable business. We set it up separately, as we were required to do for ringfencing reasons. That was set up a number of years ago. It's an ongoing business.

With respect to Virtual TAS, one of the things that we would like to do for the benefit of us as infrastructure developers and owners – linear infrastructure across all of the island – is we would like to have a lot more accurate data in terms of the geospatial data where our assets are located throughout the island. (3)

We saw the opportunity to create what's known as a wide area digital twin. Because we have assets all over the island and other infrastructure providers have assets all over the island, there was no whole-of-island approach to recovery of data. Certain digital data is kept and captured for small, little parts of the island or small, individual asset owners, but it's not across the whole island.

As a more efficient way of doing this, we entered the joint venture and incorporated that with one of the leading providers in this area of this technology. We worked cooperatively together to create a wide area digital twin of the island. We've drawn a number of captures over the last few years of the whole of the island so that we can make that data available to a wide range of infrastructure owners, both private and public, so that they can then make the best use of that information.(4)

That's the intention behind the joint venture. It's very different from individual smaller providers using lidar. We use wide-area capture, fixed wing across the whole island, through a number of campaigns. It's quite an undertaking but valuable information.

Mr BAYLEY – You're saying it's not a service that the private sector and established providers of monitoring and surveillance could provide?

Mr McGOLDRICK – Not at this scale and not at this quality of data (5).

My observations and comments:

1) VTT is a corporate entity ABN: 43 659 500 302, active 3 June 2023.

While Mr McGoldrick described the arrangement as "joint ownership of the work program", the evidence confirms that TasNetworks and Enzen established and incorporated a separate legal entity to undertake those activities. VTT is consulting beyond the scope of the work program.

These are different concepts that warrant clarification.

2) Subsequent events indicate that VTT's activities extend well beyond supporting TasNetworks' work program. Publicly available information shows that VTT has tendered for, and been awarded, work for private forestry, Tasmanian GBEs and State Government projects. This suggests that VTT operates as a commercial participant in the broader remote sensing market.

- In March 2025, VTT was granted a state government tender for LiDAR surveying of King Island at a rate that, in my experience, is well below a rate sustainable by TIP-scale projects. Refer: https://www.tenders.tas.gov.au/ContractAwarded/Details/13032

(3) The evidence does not indicate whether alternative delivery models were considered before the joint venture was established. For example, it is unclear whether existing commercial LiDAR providers were consulted regarding their capacity to undertake wide-area acquisition under a competitive procurement model.

(4) Mr McGoldrick's statement that "digital data is kept and captured for small, little parts of the island or small, individual asset owners…" is an accurate description of the pre-existing competitive market program developed under the Tasmanian Government's TIP program since 2013. Notably, TIP data, being publicly funded, is typically made available to infrastructure owners and the public, via DNRE's Location Services branch.

Enzen, as a capable and established private operator, had the ability to compete fairly for publicly funded LiDAR contracts under the Corporations Act to deliver remote sensing services in Tasmania. However, rather than competing independently through TIP's open tender process, Tasmanian Networks—via its subsidiary— "…saw the opportunity…" created by the competitive TIP program that is small in nature and then entered into a JV arrangement to leverage TN's scale to "capture and then sell" spatial data to "a wide range of infrastructure owners, both private and public."

While on face value this may appear as a "…more efficient way of doing this…" the arrangement raises the question whether the structural advantages available to TasNetworks and FortyTwo24 are consistent with the objectives of Tasmania's Competitive Neutrality Policy, which seeks to ensure Government businesses do not obtain unfair commercial advantages in contestable markets.

Tasmanian Networks' statutory purpose is to operate as a State-owned company delivering electricity network services. If the Board determines that additional business structures are required, they must operate within the limits of their Portfolio Act and adhere to established governance guidelines—not bypass them through complex joint-venture arrangements.

The decision to establish the joint venture at Board level raises the question whether the degree of Shareholder Minister oversight contemplated by the Government Business Governance Framework was achieved.

(5) The parliamentary evidence does not indicate whether broader consultation occurred with existing commercial LiDAR providers before the joint venture was established.

To be clear, VTT, Enzen, and 42-24 use the same technology as other LiDAR operators: an airborne LiDAR sensor to populate their digital model. The difference is that they (Enzen) apply this technology at a far greater scale and, through their structural link to government-owned entities, are able to leverage those advantages to undercut commercial operators who do not have access to government-affiliated resources or long-term foundation contracts.

The evidence suggests the joint venture adopted a commercial model similar to that previously operated by Enzen Australia, now NxZen. However, it is questionable if Tasmanian Networks and 42-24 are permitted to undertake such large-scale commercial operations outside their statutory functions, particularly where the effect is to "out-compete" existing operators who are protected under the State's Competitive Neutrality Policy.

To comply with relevant policies, guidelines, and Tasmanian Networks' Portfolio Act, an alternative approach may have been for 42-24 to tender the LiDAR data capture component competitively and then process the resulting data into a digital twin — **not to form a new entity that monopolises both capture and processing.**

Such a model may have preserved open competition for airborne data acquisition while still achieving the Government's digital twin objectives.

Mr McGoldrick stated that the capability did not exist "at this scale and not at this quality of data". However, numerous commercial operators within Australia and including Tasmania, utilise equivalent airborne LiDAR technology. The distinction therefore appears to relate to procurement model and operational scale rather than the technology itself.

Mr McGoldrick appears to be referring to the type of LiDAR sensor used by Enzen— I believe it may be the very capable Riegl VQ-1560, mounted in a twin-engine aircraft — equipment that is well known and accessible within the commercial sector. Many Tasmanian LiDAR companies would welcome the opportunity to operate such equipment under a secure long-term project.

In practice, however, existing operators were not given an opportunity to compete for the foundation TasNetworks work that underpinned the establishment of VTT.

The decision of Mr McGoldrick, as CEO of TasNetworks, to award the capture work to VTT — of which he is also Chair — raises governance questions regarding conflict management, independence of decision-making and Board oversight.

In summary, the parliamentary evidence, together with TasNetworks' published correspondence and Annual Reports, demonstrates that the establishment of VTT has given rise to significant governance questions that have not yet been independently assessed.

Those questions extend beyond competition law and include Board authority, Shareholder Minister oversight, Competitive Neutrality, procurement, statutory purpose, conflict management and public accountability.

The most significant issue arising from this review is not whether any particular law has been breached, but that no single regulator has examined these matters collectively.

Importantly, this paper does not ask for a determination as to whether TasNetworks or VTT acted unlawfully. Rather, it asks whether Tasmania's governance framework provides an effective mechanism for independently assessing the formation and operation of jointly owned commercial entities established by State-owned companies.

As the Managing Director of a Tasmanian remote sensing company, I am disappointed that a State-owned company has expanded into a competitive commercial market by establishing its own remote sensing enterprise. In my view, TasNetworks best serves Tasmanians by focusing on its core responsibility of delivering electricity network services. Where they require specialist capabilities, they should be procured through open and competitive markets rather than developed through government-owned commercial ventures described in this paper.

Tasmania previously had a competitive and productive remote sensing sector that attracted interstate work and investment. In my view, Government policy should support and strengthen that market, not enable their SOC’s to leverage their scale to compete with it.

In my view, the governance arrangements that resulted in the establishment of VTT have undermined confidence in Tasmania's competitive remote sensing market. I hope the proposed reforms provide an opportunity to strengthen oversight of future Government Business ventures and restore confidence for private enterprise to innovate, invest and compete.

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