

FACT SHEET

GOVERNMENT BUSINESS ENTERPRISES AND STATE-OWNED COMPANIES LEGISLATION AMENDMENT BILL 2009

- The Government Business Enterprises and State-owned Companies Legislation Amendment Bill 2009 amends the Government Business Enterprises Act 1995 and the portfolio legislation of a number of Government businesses to update the methodology for applying guarantee fees and to achieve consistency in governance arrangements.
- Consistent with competitive neutrality principles, guarantee fees are payable by Government businesses on financial accommodation (primarily loans obtained from the Tasmanian Public Finance Corporation) to offset the borrowing cost advantage of public ownership.
- The amendments contained in the Bill allow multiple guarantee fee rates to be determined for each business. The current maximum rate of one per cent is also removed.
- As State-owned Companies are not specifically subject to the Government Business Enterprises Act, the Bill also amends the portfolio legislation of State-owned Companies to clarify that the guarantee fee provisions of the Government Business Enterprises Act applies to all Government businesses in a consistent manner.
- The Bill also removes specific provisions in the Forestry Act 1920 that relate to appointments to the Board of Forestry Tasmania. These amendments will ensure that the governance arrangements for Board appointments to all Government Business Enterprises will be treated in a consistent manner.
- Transitional arrangements ensure that existing Board members of Forestry Tasmania are taken to have been appointed under the provisions of the Government Business Enterprises Act and that their terms of office and conditions are preserved.