



PARLIAMENT OF TASMANIA

LEGISLATIVE COUNCIL SELECT COMMITTEE

GOVERNMENT BUSINESSES SCRUTINY 'B'

Report with Minutes of Proceedings

Members of the Committee:

Hon Rosemary Armitage MLC (Chair)
Hon Luke Edmunds MLC
Hon Mike Gaffney MLC
Hon Casey Hiscutt MLC
Hon Meg Webb MLC

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LEGISLATIVE COUNCIL SELECT COMMITTEE
GOVERNMENT BUSINESSES SCRUTINY B

MINUTES

MONDAY 24 NOVEMBER 2025 AND TUESDAY 25 NOVEMBER 2025

MONDAY 24 NOVEMBER 2025

The Committee met at 1:50 pm in Committee Room 3, Parliament House, Hobart.

Present:

Ms *Armitage* (Chair)
Mr *Edmunds* (*due to technical issues - arrived at 2:05 pm*)
Mr *Gaffney*
Mr *Hiscutt*
Ms *Webb*

Apologies:

Nil

In Attendance:

Mr *James Reynolds* (Co-Secretary)

Confirmation of Minutes

The Committee **RESOLVED** that the Minutes of the Meeting on Thursday 16 October 2025 were confirmed as a true and accurate record.

Correspondence

Outwards

The Committee **RESOLVED** to endorse the following outgoing correspondence:

1. Letters sent 17 October 2025 to relevant Ministers and Chairs providing meeting details for GBB hearings on Tuesday 25 November 2025.
2. CONFIDENTIAL Emails sent 21 October 2025 to agreed stakeholders) inviting written feedback relating to Government Businesses before the Committee for scrutiny.

Stakeholder Meetings

At 2:00 pm the Committee commenced informal discussions with stakeholders.

The meeting was suspended at 3:10 pm until 8:45 am on Tuesday 25 November 2025 in Committee Room No. 3, Parliament House, Hobart.

TUESDAY 25 NOVEMBER 2025

The Committee resumed at 8:48 am in Committee Room 3, Parliament House, Hobart.

Present:

Ms Armitage (Chair)

Mr Edmunds

Mr Gaffney

Mr Hiscutt

Ms Webb

In Attendance:

Mr James Reynolds (Co-Secretary)

Ms Julie Thompson (Co-Secretary)

A general discussion ensued.

The Committee suspended at 8:50 am.

The Committee resumed at 9:00 am in Committee Room 2, Parliament House, Hobart.

The public hearings commenced at 9:00 am.

TASMANIAN PORTS CORPORATION PTY LTD

At 9:00 am the following witnesses appeared before the Committee:

Hon Kerry Vincent MLC Minister for Infrastructure and Infrastructure

Mr Tim Lovibond Chief of Staff

Mr Anthony Donald Chief Executive Officer

Mr Greg McCann Chair of the Board

The Minister provided a brief overview, and the Committee proceeded to questions.

Witness

Mr Michael Wall, Harbour Master, was called to the table at 9:26 am and withdrew at 9:28 am.

Questions taken on Notice

1. Can you please provide the Committee with the climate risk assessments of TasPorts major sites which are referred to on page 15 of the TasPorts Annual Report 2024-2025? (MW).
2. The 2024-2025 Annual Report notes there are currently 338 employees. This includes 262 males and 72 females. Is this consistent with last year across staff numbers, gender, and vacancies? (MG)

3. Our GBEs need to be supportive of our young people. Regarding the comments about joint programs to support apprenticeships, will any programs come to fruition next year (2026)? (MG)
4. With transparency and accountability in fee structures being very important, can you advise the justification for dry bulk cargo charges at Tas Ports being significantly higher, being 87% above Portland and 48% above Darwin despite similar operational profiles? (RA)
5. Appreciating you may not be able to answer questions about the Goliath incident, can you please advise how much TasPorts has spent on litigation to date? (RA)

The witnesses withdrew at 10:54 am.

The Committee suspended at 10:54 am.

The Committee resumed at 11:15 am.

THE PUBLIC TRUSTEE

At 11:15 am the following witnesses appeared before the Committee:

Hon Eric Abetz MP	Acting Attorney-General
Ms Therese Taylor	Chair
Mr Todd Kennedy	Chief Executive Officer

Mr Gaffney took his place at 11:17 am.

The Acting Attorney-General and Mr Todd Kennedy provided a brief overview, and the Committee proceeded to questions.

The witnesses withdrew at 12:43 pm.

The Committee suspended at 12:43 pm

The Committee resumed at 2:01 pm

SUSTAINABLE TIMBER TASMANIA

At 2:01 pm the following witnesses appeared before the Committee:

Hon Felix Ellis MP	Minister for Business, Industry and Resources
Adam Foster	Chief of Staff
Mr Rob de F��gely AM	Chair
Mr Greg Hickey	Acting CEO
Ms Suzette Weeding	General Manager Conservation and Land Management
Mr Chris Brookwell	General Manager Corporate Services

Mr Hiscutt took his place at 2:03 pm.

The Minister provided a brief overview, and the Committee proceeded to questions.

Questions taken on Notice

1. Can you provide the breakdown of staff by region? (MG)
2. In relation to the shed structure, previously occupied by Ta Ann, on the Southwood site:
 - a. What were the specifics of this purchase by STT, and what is the annual holding cost, of this shed? (LE)

The witnesses withdrew and the public hearing concluded at 3:59 pm.

Draft questions taken on notice

The Committee considered draft questions taken on notice throughout the day. The Committee made amendments and AGREED that the correspondence be sent as follows.

Correspondence

Outwards

1. Letter dated 25 November 2025 to the Minister for Infrastructure and Transport, the Hon Kerry Vincent MLC providing questions taken on notice in relation to Tasmanian Ports Corporation Pty Ltd.
2. Letter dated 25 November 2025 to the Minister for Business, Industry and Resources, the Hon Felix Ellis MP providing questions taken on notice in relation to Sustainable Timber Tasmania.

Future Meeting Date for Report Deliberations

The Committee **AGREED** that the Committee next meet in Committee Room 2 on Friday, 19 December 2025 at 9:00 am (30-minute duration) on the basis that the transcripts from today's public hearings will be available. If not, a new meeting date will be agreed to out of session.

Mr Edmunds withdrew at 4:05 pm

Adjournment

At 4:07 pm the Committee adjourned.

DATE:

16/01/2026

CONFIRMED



CHAIR

APPENDIX 1 - ORDER OF THE COUNCIL DATED 23 SEPTEMBER 2025



OFFICE OF THE CLERK

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Parliament of Tasmania, Hobart, TAS 7000
www.parliament.tas.gov.au

23 September 2025

MEMORANDUM FOR :

Clerk-Assistant & Usher of the Black Rod

I write to advise that the Legislative Council today resolved —

- (1) That two Government Businesses Scrutiny Committees be established to inquire into Government Businesses in accordance with the schedule detailed below and rules as set out in the Standing Orders at Part 22.
- (2) That the Committees have leave to sit on Monday, 24 November 2025 and Tuesday, 25 November 2025 between the hours of 9.00 a.m. and 6.30 p.m. or such other times as varied by the Chair and as necessary for the purpose of relevant stakeholder and deliberative meetings.
- (3) For 2025 Government Businesses are allocated to the Committees as follows:—

Committee A

Monday, 24 November 2025

Hydro Tasmania, TasNetworks Pty Ltd, TT Line Company Pty Ltd

Committee B

Tuesday, 25 November 2025

Sustainable Timber Tasmania, Tasmanian Ports Corporation Pty Ltd, The Public Trustee

And that —

*Ms Forrest,
Mr Harriss,
Ms Lovell,
Ms O'Connor and
Ms Thomas*
be of Committee A

and

*Ms Armitage,
Mr Edmunds,
Mr Gaffney,
Mr Hiscutt and
Ms Webb*
be of Committee B.

- (4) And that the Committees report on the Government Businesses by no later than 30 January 2026.

If the Legislative Council is not sitting when the Government Businesses Scrutiny Committees complete their reports, those reports may be presented to the President or if the President is unable to act, to the Deputy President or other Office holder and in that event:—

- (a) the reports shall be deemed to have been presented to the Council;
- (b) the publication of the reports is authorised by this Resolution;
- (c) the President, Deputy President or other Office holder, as the case may be, may give directions for the printing and circulation of the reports; and
- (d) the President, Deputy President or other Office holder, as the case may be, shall direct the Clerk to lay the reports upon the Table at the next sitting of the Council



C L VICKERS
Clerk of the Council

APPENDIX 2 - ADDITIONAL INFORMATION

Minister for Housing and Planning
Minister for Infrastructure and Transport
Minister for Local Government

Level 10, 15 Murray Street, HOBART TAS 7000 Australia
GPO Box 123 HOBART TAS 7001 Australia
Email: Minister.Vincent@dpac.tas.gov.au



Hon Rosemary Armitage MLC
Chair
Legislative Council Government Business Scrutiny Committee B

1 DEC 2025

c/- julie.thompson@parliament.tas.gov.au

Dear Chair

Thank you for your Questions on Notice from 25 November 2025 regarding TasPorts, through Legislative Council Government Business Scrutiny Committee B.

Please find attached responses to the questions on notice from TasPorts and their Climate Risk Assessment Interim Report as an appendix.

If there are further questions I am happy to respond further.

Yours sincerely



Hon Kerry Vincent MLC
Minister for Infrastructure and Transport

Encl. TasPorts Responses to Questions on Notice
TasPorts Climate Change Risk Assessment and Adaptation Interim Report 2024

Subject:	QONs Responses
Date prepared:	28 November 2025

Question 1

Can you please provide the Committee with the climate risk assessments of TasPorts major sites which are referred to on page 15 of the TasPorts Annual Report 2024-2025?

Response:

TasPorts has completed climate risk assessments for all four of its major ports. The work referred to on page 15 of the 2024–25 Annual Report relates to the completion of these assessments for:

- Port of Devonport – assessment completed July 2023
- Port of Burnie – assessment completed April 2024
- Port of Hobart – assessment completed during the 2024–25 reporting period
- Port of Bell Bay – assessment completed during the 2024–25 reporting period

The Devonport and Burnie assessments were used to prepare the TasPorts Climate Change Risk Assessment and Adaptation Interim Report 2024. This Interim Report summarises the climate risks and proposed adaptation actions for those two ports.

The climate risk assessments for Hobart and Bell Bay were finalised later in the 2024–25 reporting period. The findings from all four ports will be brought together in a single, consolidated Climate Change Risk Assessment and Adaptation Report, which TasPorts expects to finalise in 2026.

Question 2

The 2024-2025 Annual Report notes there are currently 338 employees. This includes 262 males and 72 females. Is this consistent with last year across staff numbers, gender, and vacancies?

Response:

TasPorts' total workforce increased from 311 employees in FY2023–24 to 338 employees in FY2024–25. The increase primarily reflects the recruitment of additional towage crews to support the transition to even-time rostering, the employment of new graduates through the NextGen Leaders Program, and strengthening of critical port access services including Vessel Traffic Services and Port Security.

The gender composition also increased in both categories:

- Female employees: increased from 65 in FY2023–24 to 72 in FY2024–25
- Male employees: increased from 246 in FY2023–24 to 266 in FY2024–25

Question 3

Our GBEs need to be supportive of our young people. Regarding the comments about joint programs to support apprenticeships, will any programs come to fruition next year (2026)?

Response:

TasPorts is progressing a number of initiatives to strengthen early-career pathways and support young people entering maritime, operational and STEM fields. These initiatives are intended to build a sustained pipeline of local talent into the sector.

In the coming year, TasPorts plans to introduce:

- Dedicated trainee and apprentice roles, with at least five positions targeted at female candidates across marine and operations teams, with permanent pathways available on completion.
- A structured school and university internship program, delivered in alternating streams:
 - High-school maritime awareness internships (commencing July), encouraging young women to consider marine and operational careers; and
 - University internships (December to February) for women studying engineering, logistics and marine science.

These initiatives complement several existing programs, including:

- Undertaking placements with Possability to provide internship opportunities for young people living with disability.
- The Charles Black Scholarship, funded by TasPorts, which supports a Tasmanian student to study at the Australian Maritime College.

- TasPorts also participates and supports a variety of careers fairs across high schools, the University of Tasmania and Australian Maritime College to encourage careers at TasPorts
- TasPorts' ongoing relationship with East Devonport Primary School, where staff from marine operations, safety and the Office of the Harbour Master regularly deliver presentations to build awareness of maritime career pathways and strengthen early engagement with the community.
- Five apprentices and traineeships currently underway across our operations in a variety of trades.

Together, these programs provide clear entry pathways into the business, support mentoring by experienced employees and offer defined and consistent timeframes for early-career recruitment and development.

Question 4

With transparency and accountability in fee structures being very important, can you advise the justification for dry bulk cargo charges at TasPorts being significantly higher, being 87% above Portland and 48% above Darwin despite similar operational profiles.

Response:

TasPorts operates in a transparent manner with respect to port user charges. All charges applied at TasPorts-operated ports are published in the Schedule of Port Charges, which is publicly available and sets out the full structure and methodology used to determine port fees.

Ports across Australia have different pricing mechanisms and structures, with various charges applied to each vessel visit, and individual charging elements are not always directly comparable.

However, TasPorts has compared the main vessel charges (wharfage, tonnage, and berth hire) that apply at its own ports to the applicable charges at the ports of Portland and Darwin respectively, assuming a “typical” bulk cargo vessel visit comprising:

- 20,000 tonnes of Cargo
- 25,000 Gross Registered Tonnage (GRT)
- 3 days at port.

TasPorts analysis found that while TasPorts does have a slightly higher wharfage rate than Port of Portland, its wharfage charges are significantly lower than Darwin Port. TasPorts' overall visit charges are comparable to Port of Portland and significantly lower than Darwin Port.

	TasPorts	Darwin	Portland
Wharfage	72,600	155,400	52,400
Tonnage	28,925	7,128	19,821
Berth Hire		12,232	33,624
Total*	\$101,525	\$174,760	\$105,845

Question 5

Appreciating you may not be able to answer questions about the Goliath incident, can you please advise how much TasPorts has spent on litigation to date.

Response:

As the matter remains subject to ongoing legal proceedings, TasPorts is not in a position to provide the Committee with a summary of litigation costs related to the 2022 Goliath incident.



Greg McCann
Chair
01 December 2025

Prepared by:	Ben Hansen	Cleared by:	Anthony Donald
Position:	Head of Corporate Affairs	Position:	CEO
Email:		Email:	
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Climate Change Risk Assessment and Adaptation

Interim Report 2024



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1. Background

1.1 Introduction

TasPorts has undertaken a climate risk assessment process to prepare and inform climate risk disclosure reporting and adaptation planning. The work completed since commencement in 2021 assists with informing;

- owner and investors about potential financial, environmental and social risks to future assets and operations
- shippers about the potential reliability of ports
- port operators and planners regarding existing and new port infrastructure and equipment
- safety considerations and associated investments.

The preliminary climate risk adaptation plan presented in this paper has been developed with a focus on addressing priorities relating to the Port of Burnie and Port of Devonport. This adaptation plan will be reviewed and added to following completion of third pass risk reviews on Hobart, Bell Bay, King and Flinders islands in FY25

1.2 Risk Assessment Process

The risk assessment process has been undertaken in three stages:

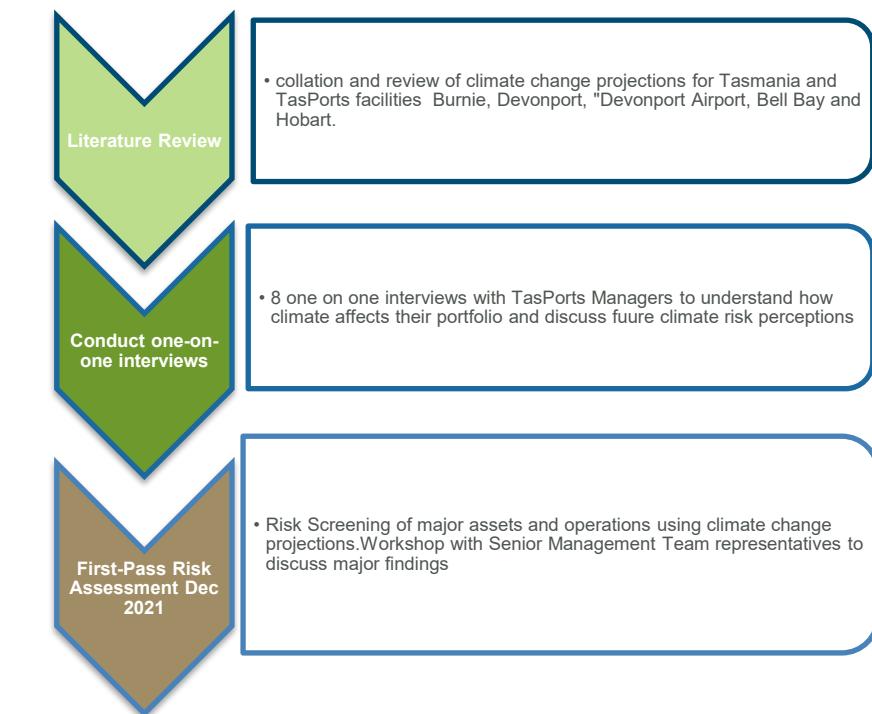
- 1) First pass risk assessment initial risk screening across Hobart, Burnie, Devonport and Bell Bay as well as Devonport Airport was **completed in December 2021** (refer Figure 1). The purpose was to identify the most vulnerable facilities and operations to climate risk.
- 2) Second pass risk assessment looked at specific assets and operations from all port facilities that could be affected by climate and extreme weather. The assessment assessed all climate related hazards including storm tide/sea level rise, flooding, changes to wind, heatwave and bushfire and was **completed in Feb 2023**.
- 3) Third pass risk assessment – an internal port specific workshop review of the second pass risk assessments to confirm assessed risk, criticality and actions required to understand potential cost impacts and minimise/prevent adverse impacts.

The climate risk assessment process has been based on global best practice (Tonmoy et al., 2019) and is aligned with the ISO 31000 international standard on risk assessment. It includes:

- An assessment of all TasPorts facilities, assets and operations
- Assesses both acute and chronic effects across different timescales (2020, 2030, 2050, 2100)
- Uses CSIRO Climate Change future projections for Tasmania using the high emission scenario RCP 8.5¹
- Produces risk maps, GIS layers and graphs to communicate risk and inform adaptation priorities.
- Identifies actions for adaptation and mitigation including management and policy changes, planning and design, insurance, monitoring and research, maintenance, and asset management actions.

During preliminary assessment work it was identified that the Ports of Devonport and Burnie has exposure to very high site-specific climate change risks due to the nature of the ports, including location and operational profiles. The Burnie and Devonport assessments were **completed in July 2023 and April 2024 respectively** with the results providing the basis for this report. Risk assessment was undertaken utilising the risk matrix included at Appendix A.

¹ TasPorts is a critical facility for the region with long asset life. Consideration of a worst-case climate scenario is advised by best practice guidelines for critical facilities with longer asset life. Also there are little differences between climate change scenarios up until 2040.



5-*

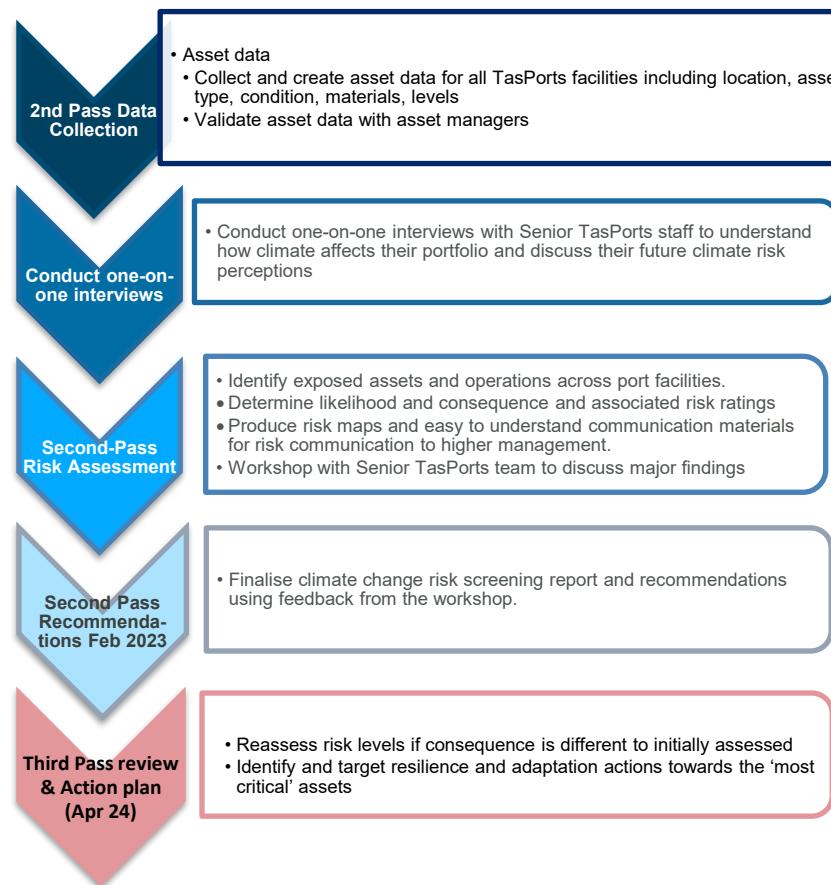


Figure 1 Climate Risk Assessment Process (2021 -2024)

1.3 Summary of Key Risks

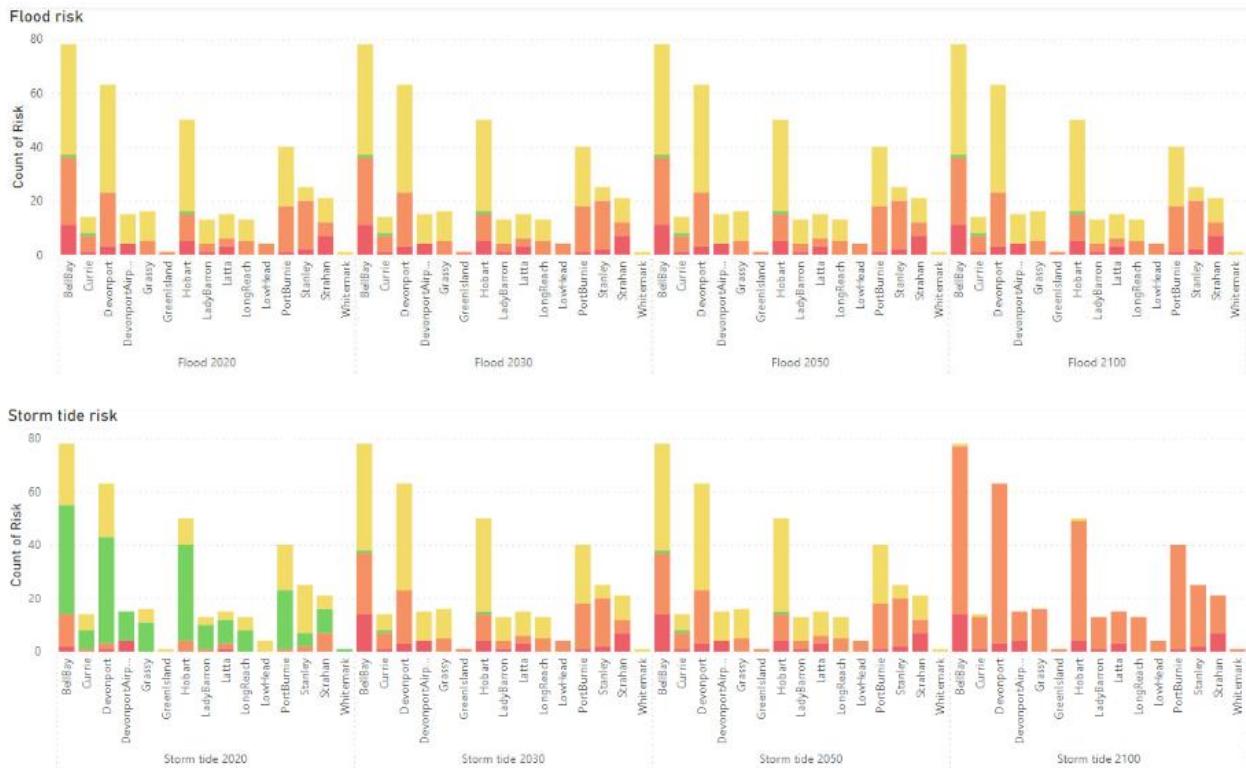
Sections 2 to 4 of the report provides a detailed summary of the 3rd pass risk assessment work. It is represented as general climate change risks that are applicable across the whole organisation as well as the detailed assessment of the Ports of Burnie and Devonport.

The majority of operational hazards have a low to medium risk level in 2020-2030 which changes to medium to high risk in 2050-2100 (refer Figure 2). Some of the operational risks with consistently high ratings include:

- The impact of high wind speed on navigation
- Wind speed impacts on occupational health and safety
- Storm tide inundation occupational health and safety issues, inundation and increased erosion and/or sedimentation



Figure 2 - Second Pass Highest Operational Risks – Wind, Flood and Storm tide (source BMT Feb 2023)



1.4 Adaptation Plan (FY25/FY26)

The risk assessment included at Sections 2 to 4 of the report includes proposed adaptation and forms the basis for TasPorts initial adaptation plan. Not surprisingly the risk assessment work has highlighted that significant work is required to better understand the potential consequences and subsequent required adaptations, including costs. This work is planned to be undertaken over FY 25 and FY26 in order to provide the required inputs into mandatory climate change financial disclosure reporting,

Proposed adaptation work can be summarised into the following workstreams.

- Implementation of climate ready design standards, asset management strategies and business case assessment processes
- Detailed vulnerability assessments of sea defence structures, stormwater and electrical infrastructure and subsequent adaptation.
- Review of business continuity plans for identified high risks
- Engagement with customers and stakeholders on climate change risk
- Improved monitoring and forecasting relating to weather, flood prediction and coast sedimentation processes

2. General Risks

2.1 Overview

As previously discussed, there are a number of climate change risks with varying degrees of impacts across the ports. Whilst both the 1st and 2nd Pass Climate Change Risk Assessments undertaken by BMT provides an overview of physical climate related risks for each port they don't provide any context on the potential impact to the business.

Examples include overtopping of wharves near the end of the life in reality is a low risk due as the asset in its current configuration will unlikely exist before the overtopping risk manifests itself. Similarly, the associated risks to the business will vary significantly depending on the specific assets' utilisation or commercial considerations where as the BMT reports would rank their risk profile for a specific event the same. The 3rd pass risk assessment provides the organisational context.

The table below provides a detailed summary of the work.

RISK DESCRIPTION	CONSEQUENCE	RISK RATING (2030)	RISK RATING (2050)	RISK RATING (2100)	PROPOSED ADAPTATION
Sea Level Rise resulting in increased likelihood and occurrence of inundation (Storm Tide)	Flooding will result in damage to infrastructure, impacts to port operations and environmental effects	LOW	MODERATE	VERY HIGH	Establish and implement design guidelines for future assets that consider SLR
					Master Planning process to specially address inundation due to SLR
Changes in weather patterns including increase in frequency and intensity of severe weather events	Impact on port operations	LOW	MODERATE	HIGH	Consider in Port Master Planning
	Impact on shipping resulting in reduced levels of service, increased berth availability				Consider in Marine Fleet renewal plans
Increase in intensity and duration of storm events resulting in damage to sea defences including the main breakwater(s)	Significant costs to repair, impact on port operations and damage to port infrastructure due to breach and resulting inundation	LOW	MODERATE	VERY HIGH	Develop long term design parameters
					Undertake review of critical sea defences and their long-term vulnerability including risk assessment of port infrastructure
					Prepare long term sea defence improvement plans.
New and upgraded infrastructure not suitable for future climate change related effects	Damage, H&S, Environmental, Impact to port operations.	LOW	MODERATE	MODERATE	Develop and implement formal guidelines and standards for port infrastructure.
					Climate change risks to be formally included in decision making processes, i.e. approval of design, business case and Strategic Asset Management strategy development (through SAMP).
Decrease in weather forecasting accuracy in particular for severe events	Impact on safe operations and higher risk	LOW	HIGH	HIGH	Consider changes in forecasting accuracy and certainty in port operations risk assessments.
	Reduction in operating limits				Continually assess the accuracy of weather forecasting tools and ensure highest level of accuracy tools are utilised.

RISK DESCRIPTION	CONSEQUENCE	RISK RATING (2030)	RISK RATING (2050)	RISK RATING (2100)	PROPOSED ADAPTATION
Drought causes restrictions in water supply	Impact on firefighting capability	LOW	MODERATE	MODERATE	Undertake water requirements and risk assessment Develop mitigation plans
Increased in corrosion rates due to SLR and increased exposure	Decrease in asset life	LOW	MODERATE	LOW (ASSUME NEW ASSETS)	Climate change effects to be included in the Strategic Asset Management Plan (SAMP)
	Increase in asset maintenance frequency and costs	LOW	MODERATE		Consider increased protection as part of asset strategy development
Increase in corrosion due to increase Seaspray	Decreased asset life and integrity	LOW	MODERATE	MODERATE	Develop and apply coating standards for at risk assets
	Increase in asset maintenance costs.	LOW	MODERATE	MODERATE	Consider in developing asset maintenance strategies.
Increase in frequency and severity of bushfires	Potential to affect port operations through reduced visibility or access restrictions	LOW	LOW	LOW	Ensure Business Continuity and emergency response plans includes this risk
Impact of SLR and increased groundwater levels on electrical infrastructure	Increased corrosion and reduced asset life	LOW	MODERATE	HIGH	Future design standards to include climate change effects
	Increase in failures and impact on port operations	LOW	MODERATE	HIGH	Consideration to improved condition monitoring for at risk assets
Impact of climate change on the volume and type of trade due to both short- and longer-term effects such as drought,	Impact on volumes and resulting financial impacts. Loss of key customers or trade resulting in low infrastructure utilisation.	LOW	HIGH	VERY HIGH	Ensure climate change risk and opportunities to trade is included in long term forecasting, decision making and business case modelling.

RISK DESCRIPTION	CONSEQUENCE	RISK RATING (2030)	RISK RATING (2050)	RISK RATING (2100)	PROPOSED ADAPTATION
change in temperatures, bush fire. (Note that there may be opportunities in trade resulting from climate change)					Engage with key customers and stakeholders specially on climate change risk for both businesses.
Change in coastal processes due to change in wind and swell weather patterns	Unexpected changes to navigable waters due to changes in sediment movement	LOW	MODERATE	HIGH	Monitor though hydrography program
	Increased or changes in coastal erosion				Monitor through Digital Twin development (Drone)

Table 1 - General Climate Change Risk Assessment

3. Port of Devonport

3.1 Overview

The Port of Devonport being a river port has a number of unique climate change related risks compared to other ports in Tasmania. That coupled with the variety of trade and the criticality of the TT-Line and SeaRoad operations make Devonport the most vulnerable to climate change risks.

There is a history of flooding of the Mersey River and these events in the past have resulted in both short- and longer-term effects on operations with closure of the port to operations and impacts on navigable depths. Climate change has the potential to increase the frequency and severity of these flooding events although there remains significant work to be undertaken to understand these risks and their potential impact.

For instance, future flooding events could potentially result from weather systems that result in both increased rain intensity and higher swell sizes which coupled with increased sea levels from Sea Level Rise (SLR) have the potential to result in inundation of port area's during peak flood levels, and event that has not occurred historically. Work in the short term is proposed to focus on better understanding this risk in order to be better informed for future adaptation planning.

As a river port both short term and longer-term ongoing sedimentation is likely to be impact by climate change. The risk assessment process identified that both sedimentation due to flooding events and changes in coastal process are likely causes. These could have the potential to result in rapid reduction in depths and the impact to severely impact operations of TT-Line and SeaRoad which rely on 24/7 access and are both in the process of deploying deeper draft vessels.

There is some concern over the capacity of Devonport's stormwater system to handle future increased intensity rainfall events and the resulting impact on TasPorts assets. In particular overflow paths are not fully understood, nor is the subsequent impact of TasPorts Stormwater systems capacity and any potential impacts. Work is proposed to better understand these potential impacts to lead into future design works.

DESCRIPTION	CONSEQUENCE	RISK RATING (2030)	RISK RATING (2050)	RISK RATING (2100)	PROPOSED ADAPTATION
Increase in frequency and severity of flooding events.	Interruption to operations	LOW	VERY HIGH	VERY HIGH	Undertake or review existing flood modelling to better understand potential future impacts
	Ability to safely moor marine fleet				Undertake risk assessment related to future flood events
	Increase in infrastructure damage				Review insurance requirements and suitability
Increased sedimentation due to increase in flooding events, SLR and change in coastal processes	Reduction max draft for vessels resulting in full or partial potential impact on ship operations affecting trade including TT-Line, Sea Road and fuel imports.	MODERATE	HIGH	VERY HIGH	Maximise availability of dredge equipment including seabed levelling at short notice
					Undertake coastal and flood modelling to better understand future impacts
					Review channel design for increase buffer zones
					In-house Hydrography service
					Increased maintenance dredging frequency to provide increase buffer
					Ensure availability of Offshore Disposal Area including permits at all times.
Risk of infrastructure damage due to inundation from increase in severity of flooding events.	Impact on port operations, significant remediation cost, environmental and H&S issues.	LOW	MODERATE	VERY HIGH	Review vulnerability of electrical infrastructure and develop medium to long term improvement plan
					Undertake inundation risk assessment and develop mitigation and action plans.
Inability for council and TasPorts Stormwater	Localised flooding, damage to infrastructure, environmental impacts	LOW	MODERATE	MODERATE	Engage with Devonport City Council to better understand the council stormwater system constraints, overflow paths.

Infrastructure to effectively manage stormwater due to increased rain intensity, flooding and SLR	due to lack of stormwater treatment				Review TasPorts buildings stormwater management capacity to meet future expected rainfall intensities and develop upgrade plan.
					Review TasPorts in-ground stormwater infrastructure capacity to meet future expected rainfall intensities and develop upgrade plan

Table 2 – Port of Devonport Climate Change Risk Assessment

4. Port of Burnie

4.1 Overview

The risk assessment process highlighted that as a breakwater port, the Port of Burnie has the highest exposure to climate change related increases in wind and swell across TasPorts major ports both in frequency and intensity. These changes are likely to result in increased impacts on shipping operations including safe towage with the potential to impact trade volumes, customer satisfaction and industry reputation. The assessment highlights the need to include these effects in the long-term planning of the Port of Burnie, including the Burnie Gateway Project.

The exposure to swell and reliance on aging sea defences coupled with relatively low-lying nature of the port highlights future risk of inundation due to climate change effects. Any inundation has the potential to cause not only damage to infrastructure but also result in environmental effects if the resulting stormwater cannot be managed effectively. There is a short term need to better understand this risk so that appropriate adaptation planning can be developed.

The Burnie Chip Export Facility (BCET) has been shown to have a number of climate change risks. These include the likely increasing challenges with managing the facility from an environmental perspective (dust and stormwater) but extremes of drought and high intensity rainfall have the potential to impact woodchip quality.

DESCRIPTION	CONSEQUENCE	RISK RATING (2030)	RISK RATING (2050)	RISK RATING (2100)	PROPOSED ADAPTATION
Increase in frequency and severity of high wind events and impact on BCET Operations	Increased requirements for woodchip stockpile dust management	LOW	MODERATE	HIGH	Review dust management processes on a regular basis
	Increase in loading downtime due to wind either due to ship loader wind limits or due to dust control				Review wind limits of ship loader and maximise as part of BCET Life Extension Programme.
Water shortage due to drought	Inability to effectively undertake dust control	LOW	MODERATE	MODERATE	Review current water usage and future requirements
					Investigate alternative options, including infrastructure
Increase in frequency and severity of high wind events, including increase in swell	Increased occurrence of impacts to port operations due to maritime safety including tugs.	LOW	MODERATE	HIGH	Climate change to be considered in marine fleet renewal planning
	Reputation loss and loss of export volume				Future development plans including Burnie Gateway to consider climate change effects, including consideration of improved tug facilities, breakwater in-fill etc.
Inundation due to SLR and increased in swell size and duration	Impact on port operations.	LOW	MODERATE	HIGH	Undertake detailed inundation modelling.
	Damage to infrastructure				Undertake stormwater system capacity review
	Damage to customer products including woodchips				Undertake inundation risk assessment.
	Environmental damage				Develop long term development plans to address inundation risks.
Increased rainfall intensity	Increased leachate from woodchip stockpiles	LOW	MODERATE	MODERATE	Review stormwater treatment capacity and develop improvement plans

	Increased mobilisation of fines and impact of stormwater quality	LOW	MODERATE	MODERATE	Review protection of woodchips from rain during loading as part of BCET Life Extension Program
	Reduced woodchip quality				Continue to review operating parameters to consider high intensity rainfall events
Decrease in annual rainfall resulting in high levels of woodchip stockpile dust.	Impact on community	LOW	MODERATE	MODERATE	Review stormwater treatment capacity and develop improvement plans
	Impact of stormwater quality				Increase in cleaning/housekeeping regimes
	Impact of woodchip quality and resulting customer satisfaction and potential reduction in export volumes				Improve dust control as part of BCET Life Extension Program

Table 3 – Port of Burnie Climate Change Risk Assessment

Appendix A – Risk Matrix

CONSEQUENCES						LIKELIHOOD				
People	Assets/Infrastructure	Operational	Environment	Reputation	Financial	Highly Unlikely	Slight Possibility	Good Possibility	Likely	Almost Certain
Slight effect - discomfort or first aid injury/illness	Slight Damage	Disruption of non critical process	Very minor spill/no effect	Non-influential/social media	up to \$50K	LOW	LOW	LOW	MODERATE	MODERATE
Minor Injury or health effect - medical treatment	Minor damage	Disruption of critical process <4 hours	Minor spill/insignificant effect	Minor negative local coverage/low level negative social media	Up to \$500K	LOW	LOW	MODERATE	MODERATE	HIGH
Major Injury or health effect - lost time injury/illness	Moderate damage	Disruption of critical process <24 hours/total port shutdown <4 hours	Moderate spill/minor short term effect	Negative community &social media/minor negative national coverage	Up to \$1.0m	MODERATE	MODERATE	HIGH	HIGH	HIGH
Notifiable incident/ permanent disability or illness	Major damage	Disruption of critical process >24 hours/total port shutdown 4-48 hours	Spill requiring state response/moderate short term or minor long term effect	National coverage/major negative or viral social media	Up to \$5.0m	MODERATE	HIGH	HIGH	VERY HIGH	VERY HIGH
Fatality	Extensive damage	Disruption of critical process >1 week total port shutdown >48 hours	Spill requiring national response/significant short term or moderate long term effect	International/front page national/blanket negative social media	Greater than \$5.0m	HIGH	HIGH	VERY HIGH	VERY HIGH	VERY HIGH



TasPorts

Minister for Police, Fire and Emergency Management
Minister for Housing, Planning and Consumer Affairs
Minister for Skills and Training
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Hon Rosemary Armitage MLC
Chair
Legislative Council
Government Business Scrutiny 'B'
Email: Julie.thompson@parliament.tas.gov.au

Dear Ms Armitage

As the Minister responsible for Sustainable Timber Tasmania I can report on the following information requested on notice.

- 1. Can you provide the breakdown of staff by region? (MG)**
 - Northwest 27
 - Northeast 41
 - South 98
- 2. In relation to the shed structure, previously occupied by Ta Ann, on the Southwood site: What were the specifics of this purchase by STT, and what is the annual holding cost, of this shed? (LE)**

The shed structure, formerly leased by Ta Ann, was acquired by Sustainable Timber Tasmania's wholly owned subsidiary Newood Holdings at a commercially negotiated value as part of Ta Ann's exit from the Southwood site.

The shed is part of Newood's Southwood complex. Newood's financials are consolidated into Sustainable Timber Tasmania's annual report 2024-25 (page 96). A separate holding cost for the shed is not available.

Yours sincerely


Hon Felix Ellis MP
Minister for Business, Industry and Resources

2/12/2025

APPENDIX 3 – TRANSCRIPT OF PROCEEDINGS



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Tasmanian Ports Corporation Pty Ltd

Tuesday 25 November 2025

MEMBERS

Hon Rosemary Armitage MLC (Chair);

Hon Meg Webb MLC (Deputy Chair);

Hon Luke Edmunds MLC;

Hon Mike Gaffney MLC; and

Hon Casey Hiscutt MLC

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MLC, Minister for Infrastructure and Transport

Greg McCann

Chair, Tasmanian Ports Corporation Pty Ltd

Anthony Donald

Chief Executive Officer, Tasmanian Ports Corporation Pty Ltd

Tim Lovibond

Chief of staff, Tasmanian Ports Corporation Pty Ltd

PUBLIC

**THE LEGISLATIVE COUNCIL GOVERNMENT BUSINESS SCRUTINY
COMMITTEE B MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE HOBART
ON MONDAY, 25 NOVEMBER 2025.**

Tasmanian Ports Corporation Pty Ltd

The committee met at 9.00 a.m.

CHAIR (Ms Armitage) - Welcome everyone and thank you very much for appearing before the Legislative Council Scrutiny Committee for TasPorts. I will introduce the members of our team: we have the honourable Luke Edmunds, member for Pembroke; the honourable Michael Gaffney, member for Mersey; myself, Rosemary Armitage, member for Launceston; the honourable Casey Hiscutt, member for Montgomery; and the honourable Meg Webb, member for Nelson. We also have secretariat support from James and Julie, and we have Terry from Hansard.

This is our team at the table, minister, and we invite you to introduce the members of your team, and for you or your chair to make an opening statement if you wish. We will then proceed to questions.

Mr VINCENT - Thank you, Chair. On my right-hand side, I have my chief of staff, Tim Lovibond; to my left is the Chair of the TasPorts board, Greg McCann; and next to him, the CEO of TasPorts, Anthony Donald. I'd like to start off with a statement, thank you.

CHAIR - Thank you.

Mr VINCENT - TasPorts plays an essential role in Tasmania's economy and way of life. It is the organisation which keeps our island connected safely, efficiently and reliably 365 days a year. Our state depends on sea transport for almost all its freight, including fuel, essential supplies and exports. Our ports are the lifeline of our island economy.

I want to begin by acknowledging the professionalism of the board led by chair, Greg McCann, and the leadership of Chief Executive Officer, Anthony Donald, who together with the board of directors and experienced management team, continue to strengthen TasPorts' performance and culture. The past year has seen a renewal of the TasPorts' governance with a refreshed and expanded board, bringing additional skills in infrastructure, delivery, finance and sustainability.

TasPorts is undertaking significant investment and planning to modernise its port structure and build capacity for current and future operations. The company achieved a net profit after tax of \$11.9 million, balancing the need for continued investment in crucial infrastructure with discipline, cost control and operational efficiency. In recognition of its strong performance, TasPorts declared a dividend of \$10.1 million to the Tasmanian government, contributing directly to the delivery of essential public services across the state. Across the state, 14.3 million tonnes of freight moved through TasPorts' network during the year, reinforcing its role as the crucial link in Tasmania supply chain and export economy.

Tasmania's cruise sector continues to go from strength to strength. Hobart and Burnie together welcomed 131 ship visits and more than 354,000 passengers and crew, reaffirming their importance as gateways to the island's unique culture and attractions. TasPorts' subsidiary,

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Bass Island Line, completed 124 sailings to King Island, transporting nearly 69,000 tonnes of freight. That service remains vital for King Island's producers and residents.

At Devonport Airport, TasPorts continues to deliver for the north-west, handling more than 3500 flights and nearly 136,000 passengers, an 11 per cent increase on the previous year, while maintaining one of the highest on-time performance rankings in Australia.

TasPorts continues to invest in renewing and modernising its infrastructure, much of which is ageing and requires careful management to remain safe and serviceable. The company has invested more than \$269 million across its network over the past five years. This includes wharf renewals, dredging, asset protection works and planning for major projects which will support Tasmania's future trade.

In Hobart, the Macquarie Wharf redevelopment will support both cruise tourism and the Antarctic Gateway, and with work underway and the partnership with the Tasmanian and Australian governments to deliver the next generation of port facilities to the south of the state. These are complex, multi-year projects but they represent the kind of forward planning and delivery discipline that TasPorts has been steadily building over the past five years.

The company also continues to demonstrate leadership in community engagement, providing more than \$600,000 in community support and awarding \$100,000 in community grants to local organisations across Tasmania. In recent years, the organisation has faced challenges modernising ageing infrastructure, managing the demands of a growing freight task and strengthening its internal systems and culture.

Throughout this, TasPorts continues to deliver. It has remained focused on safety, on service and on meeting the needs of the communities and industry that rely on it every day. This comes down to its people: the tugboat crews, the marine pilots, the operations teams, the engineers and those in regional offices and corporate roles. All take enormous pride in keeping Tasmanian ports and our economy running.

Chair, TasPorts is in a strong position. It is financially stable, operating capably and led by a refreshed board with an experienced management team focused on long-term success. With that, I ask the chair if he has any remarks to add to that before questions.

Mr McCANN - No, I think you summarised it well, thanks, minister.

CHAIR - Thank you very much. If I could start with the Bell Bay shiploader, which I'm advised is plagued by delays. I did see a media release in November 2024 which included a statement that the project would go to tender in August 2025 with a budget of \$15 million. I'm advised that expecting the current equipment to last another two to three years is unrealistic.

My questions would be: can you provide a clear explanation for the repeated delays to the Bell Bay shiploader replacement project; detail the basis for the reported cost increases when tendering has not yet commenced; confirm the current expected completion timeline and budget; outline contingency plans in the event of near-term failure of the existing loader; and advise what actions are being taken to expedite delivery ahead of 2028? I'm happy to reiterate each part as you go through.

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Mr VINCENT - It's a very important project to the future of Bell Bay and the efficiency of what TasPorts is operating there with major outputs. I will ask the CEO, please, to expand on it, because it is a very much a live situation with the shiploader.

CHAIR - Maybe if we could start with the clear explanation for the repeated delays to the project.

Mr VINCENT - Sure, thank you.

Mr DONALD - I certainly can. There are two reasons or causes for the delay: the first being that the partner we selected to work through the initial planning and investigation process went into receivership. That created some challenges for us. We continue to work with their partner and got to a suitable outcome. The second delay is associated with increases to the required budget, which has come as a result of the tender process which we have implemented. We are very clear around the need for an increase in budget. The change in budget has been recently approved by our board. This week we will be writing to the shareholder to advise the shareholder and request approval for the increase in the budget allocation, which in accordance with our governance, we need to do that when the sum exceeds \$5 million, so we will be writing to the shareholder this week.

With that regard, our adjusted forecast completion date or practical completion date is June 2028, and we realise that that is two years later than we were planning. We are very familiar with the loader; we've been operating it and maintaining it since I think 1992. We have a very good understanding of the infrastructure and where it fails, and we are absolutely committed to making sure that the existing loader is maintained in operation until we transition the new one into place.

CHAIR - My understanding is current users are experiencing lots of lost time already. Obviously, there's an issue now. How are you going to address that? They're losing days of hours, each operator, when it's plagued by delays.

Mr DONALD - I will have to take that on notice. I'm not aware of any delays associated with the usage of the existing loader.

CHAIR - I assure you, there are. Apart from that, the new budget is - the cost is now likely to be?

Mr DONALD - I need to move through our process with our shareholder before I make that statement public. We're in the final stages. We've completed our tender evaluation, but we haven't yet awarded the contract, so I would really prefer not to announce that. I don't think it would be appropriate for me to do so.

CHAIR - Okay.

Mr DONALD - I can confirm to you it is a significant increase.

CHAIR - A bit like the wharf.

Mr DONALD - Which wharf?

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CHAIR - Devonport.

Mr DONALD - No, we delivered that on time and under budget.

CHAIR - No, I was thinking of the cost coming up. What contingency plans do you have in place for the delays with the existing loader?

Mr DONALD - As I said, I'm not -

CHAIR - Not even contingency plans? So, you can't tell me anything for people who are actually using that when it's been failing? My understanding is -

Mr DONALD - I encourage our customers - and we have regular interactions with our customers; I'm more than happy to meet with them directly to hear some of their concerns and for our operational team to explain what we have in place. I've been up there. I've looked at the loader multiple times. I've seen the work that's done in order to maintain its operation. I have not had any advice from my team that there are current challenges that are causing delays.

CHAIR - That's interesting because I'm advised that multiple users are losing up to 12 hours of loading time. Obviously, they're losing loading time. They have workers there who are getting paid who can't work, which is fairly important - and you're not aware of it? It's pretty frightening that it's not being passed on.

Mr DONALD - It might depend on what the cause of the loading delays are. My question -

CHAIR - My understanding is it's the shiploader.

Mr DONALD - would be, is it associated with the shiploader or is it associated with the fact that the shiploader is very old and the beam of the vessels that are coming into Bell Bay, the widths are getting wider and wider? The loader has a particular capacity to - basically, when the shiploader ejects the woodchips into the hull of the vessel, it can only efficiently get the chips to remain flat, which increases compaction, from a particular distance. Sometimes the vessel operators and their crews need to put machinery inside the hull of the vessel to aid the compaction process. That could be a cause of delay, but that is not a reflection on the current operability of the loader. It's a reflection on the standard of infrastructure. That would be upgraded once we put the new loader in place.

CHAIR - My understanding is it's the shiploader and, as has been pointed out to me, the delays not only affect staff who are actually working there, but also the harvest and the haulage contractors associated with the business down there that are using it. I would have hoped that TasPorts could give some certainty and some surety to these businesses on what's actually going to happen and what contingency plans are in place - and I know you don't want to - but surely you must have something in place if the -

Mr DONALD - It's not that I don't want to.

CHAIR - You mean you can't, or there's no contingency plan in place?

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Mr DONALD - No, as I said earlier, we have a very good understanding of the components and the operability and the performance of the current shiploader. We have replacement parts in place. We know where there's a tendency for the loader to break down over many years. We have contingencies in place to reinstate its operation if it was to fall into a state of disrepair. It's an old loader; it's 1993.

CHAIR - I understand that, and you can understand the concern with the businesses there, that they now have to wait another two years for a new shiploader.

Mr DONALD - Yes, and our commitment that we will maintain its operability and again -

CHAIR - As best you can, obviously, rather than -

Mr DONALD - Yes. Given the standard of the technology of the infrastructure, which is not completely 1990s; there have been a number of upgrades to it over its life.

CHAIR - So, the tendering has commenced, then?

Mr DONALD - The tendering is completed.

CHAIR - Can you give me an idea for the basis for the cost increases? What the likely reasons are?

Mr DONALD - There are some modifications to the design, particularly around the bridge. There's a bridge that joins the wharf to the terminal area, which the loader needs to pull back from, so there's some changes associated with that. Steel price and cost escalation of infrastructure more generally, as prices have gone up.

Mr HISCUYT - Reading through the report in relation to the company converging on ISO 55001, I was wondering if you had an update on when you expected that to be in effect?

Mr DONALD - Through you, chair and minister. We're targeting March, next year -

Mr HISCUYT - 2026?

Mr DONALD - for ISO certification. We recently received the report from an external consultant that is helping us to target in on some of the remaining elements that we need to have in place. Our team, very proudly, have spent a lot of time and effort over the last two to three years significantly upgrading our systems: we now have an asset management system in Maximo; we now have implemented GIS; all our condition assessments are digitally linked; we have heat maps associated with condition, every component in every wharf across the state is mapped. Yes, it's exciting times and it will enable us to continue to be strategic.

One of our greatest challenges and opportunities is the responsibility we have associated with managing our commercial infrastructure - our wharf infrastructure - and making sure that they remain operable.

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Mr HISCUTT - Perfect. It was interesting to note the Southern Export Terminals joint venture. I wanted to get some clarity on how that's going. Does that require any investment from TasPorts, or is that purely a -

Mr DONALD - It does. I'd categorise the investment as relatively minor. The performance of the business is good. Certainly, from its inception, it hasn't delivered the volumes that we were expecting when we commenced the JV. However, both partners, so us and Qube, have been very cautious in our investment and both partners are focused on our objectives of optimising throughput.

The terminal area that's afforded within the Port of Hobart for the Southern Export Terminals is quite small in nature. It's large enough to fill a vessel that might be adding approximately 18,000 tonnes of logs, but it's not a storage yard. So, trucks campaign the logs in over a short period of time - three to four, perhaps six weeks at the maximum, and loading would occur over two to three days.

Mr HISCUTT - Okay. Looking at the statement in here, it does look like it is still returning a profit to the company though, so a worthwhile venture.

Mr DONALD - Yes, and across the state our forestry exports 3.7 million tonnes and has grown 11 per cent, really positive.

Mr HISCUTT - Sorry, jumping around a fair bit here. I have a question on cruise ships. Do you manage attraction of cruise ships, or is that just the -

Mr DONALD - We do that in conjunction with Tourism Tasmania, but we have direct relationships with the cruise lines.

Mr HISCUTT - No worries.

Mr DONALD - We're very active in that space.

Mr HISCUTT - As I understand in some media recently, there's an expected decline in the Port of Burnie for cruise ship numbers - I may have that wrong. Do you have any indication on why or how, or could you give an explanation on that?

Mr DONALD - I'm happy to report that the Port of Burnie is seeing an uplift in cruise visits, but across the state, we're seeing a reduction. The reduction across the state is as a result of the conflict in the Red Sea. The cruise lines, generally speaking, have relocated their - well, have to take the long way around, essentially, which is perhaps another six to eight weeks' sailing time. Commercially, that creates some challenges for them.

In discussion with the cruise lines and the industry more broadly, we expect that will continue for a couple of years, but we're optimistic that, over time, they will redeploy some of the assets into the Southern Hemisphere, perhaps more permanently. In addition to that, we know that there's a little over 60 brand new cruise ships currently in construction.

Mr HISCUTT - That's exciting.

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Mr DONALD - It's exciting times for the industry. Tasmania continues to receive very positive feedback from cruise lines. There's an annual conference in Miami where the Port of Hobart and the Port of Burnie, with the industrial amenity that the cruise lines get to see, and also the very favourable and positive welcome from the Burnie mayor. The cruise passengers absolutely love Tasmania. We know through the working relationship we have with Tourism Tasmania that a significant percentage of people who call at our great state through the cruise commit to returning as a tourist through the aviation sector within three to five years. Of course, they will then spend far more time than on the cruise visit, so they might be here for a week at a time. The investment is phenomenal.

Mr GAFFNEY - Looking at Macquarie 6, some questions from there last year. I'd like to acknowledge that TasPorts is a very important stakeholder to Hobart, and what they provide and the way that it works. I see that the federal funding agreement runs out at the end of November - 25 November - so it's getting pretty close. The next major milestone is August 2026. I would like an update on how that's going. I know that the Western Australian government has put quite significant sum of money into their budget and \$88 million towards the upgrade of the Fremantle Port, which is a competitor, which is fair and reasonable. Could you give us an update on how the project is going and what are your hopes, or maybe some of your concerns about that upgrade?

Mr DONALD - We're very pleased with the progress that we're making in relation to Macquarie 6. The relationship with the Australian Antarctic Program is excellent and our tender process for the design and construction is complete. We have evaluated tenders, we are working through final stages of negotiations, and we're on track to award a contract this side of Christmas.

Mr GAFFNEY - This side of Christmas? Can you say how many people or how many groups are in the running for the tender?

Mr DONALD - There were three shortlisted, so that's probably where I'd like to leave it at this point in time, but we will be awarding one contract.

Mr GAFFNEY - I'm interested, because it's the local government authority here, well, the LGA is Hobart - what relationship do you have with Hobart City Council and what you're doing - how does that work?

Mr DONALD - I have regular meetings with the mayor and regular meetings with the GM of Hobart City Council where we share status updates associated with the areas that we interface, one of those is the Macquarie Wharf project.

Mr GAFFNEY - Okay -

Mr DONALD - And - sorry - the Hobart waterfront. I'd describe us as good, great neighbours. We need to continue to work together on the activation of the space and how our infrastructure joins theirs.

Mr GAFFNEY - Obviously, you put the tender out. What's the timeline for the project for Macquarie 6, the upgrade and when it should be completed?

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Mr DONALD - I would say, broadly - I don't want to release specific dates because the tenders I think were slightly different - but, generally, two years.

Mr GAFFNEY - Two years? Okay.

Mr DONALD - Yes, construction.

Mr GAFFNEY - When Macquarie 6 is finalised or completed, what advantages - or for people listening - what does that upgrade mean for TasPorts and for the City of Hobart and the rest of Tasmania?

Mr DONALD - It will be a brand-new fit for purpose wharf for the *Nuyina* with shore power, which will be a great outcome. We will also be able to use it for other visiting nations if the *Nuyina* is not at berth.

Mr GAFFNEY - What capacity would it be able to - if *Nuyina*'s not there - is it cruise ship or is it other sea freight?

Mr DONALD - It'd be more icebreakers I would imagine, or small expedition cruise ships. Some of the larger cruise ships would probably be too long for Macquarie 6. That's why we generally use Macquarie 2, 3, 4 and 5 for cruise ships.

Mr GAFFNEY - Okay. Of the groups that are tendering for it, are there Tasmanian firms involved in that?

Mr DONALD - Certainly are.

Mr GAFFNEY - There are? Is there a requirement by TasPorts that you have to source Tasmanian - does that give them a leg-up or is it a ticking favour?

Mr DONALD - It's certainly part of our evaluation criteria.

Mr GAFFNEY - Okay.

CHAIR - I have a follow on with the *Nuyina*. There was a very good letter recently in the *Mercury* newspaper, whereby it says:

TasPorts tells us that the Australian icebreaker *RSV Nuyina* is unable to pass safely through the Tasman Bridge. The Chinese icebreaker, *Xue Long*, an equivalent vessel, proceeded through the main navigation span of the Tasman Bridge without incident. At the time of her transits, the BOM Hobart was recording wind gusts from the north-west in excess of 30 knots. This would seem to be some of the least conducive conditions for such a transit, yet the master pilot and tug skippers affected it flawlessly.

This question is, TasPorts has never given a satisfactory explanation for the blanket ban on *Nuyina*; this is the comment that was made in the *Mercury* newspaper. Can you give me a satisfactory explanation for the reason that the *Nuyina* cannot proceed when the other icebreaker could? You might be going to tell me different sizes or whatever, but I'm really interested to hear a good explanation as to why *Nuyina* can't go through.

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Mr DONALD - Chair, can I suggest we refer that question to the Harbour Master, Mr Wall?

CHAIR - Very happy, and if you could, minister, introduce the new person at the table.

Mr VINCENT - Thank you, Chair. I'd like to introduce Michael Wall, the Harbour Master, TasPorts, here in Hobart.

CHAIR - I know Michael well, from the past.

Mr WALL - We have indeed. Good morning, everyone.

Mr VINCENT - I should reiterate that this is a decision of the Harbour Master and the experience on how this works, more so than just directly TasPorts making the decision.

CHAIR - No, that's fine. As I said, just to reiterate, the Chinese icebreaker, *Xue Long*, is estimated here in equivalent - this is where you may tell me it's not, because obviously these are just letters to the editor, but I thought it was interesting to ask the question. I have heard it from many people why *Nuyina* actually can't be taken through when similar vessels can.

Mr WALL - Yes, I'm happy to answer that question. Thank you, minister, thank you, Chair.

CHAIR - That would be great, through you, minister.

Mr WALL - The *Nuyina* is significantly bigger in its dimensions than the *Xue Long*. The *Xue Long* is smaller in both its draught and also the sail area of the accommodation - so, the vessel itself is physically smaller. The *Xue Long* was able to meet both the height, width and depth restrictions for the bridge.

Back in 2023-2024, we did the significant project for the *Nuyina*; we did simulations, we did training, we did a full due diligence assessment. On many occasions the assessment failed the minimum criteria for transits of the Tasman Bridge on the *Nuyina*. Because the *Nuyina* is three vessels built into one - it is an icebreaker, research vessel and a supply vessel - it has a significant cargo-carrying capacity which means the vessel is physically bigger and heavier. When the vessel turns, it slides and it slides at a rate which didn't meet our minimum requirements - sorry, I take that back - it exceeded our maximum requirements for safe handling.

On the day in question when the *Xue Long* transited the Tasman Bridge, the winds were not to the extent as the letter states: it was within the safe parameters for vessel transits.

CHAIR - Thank you. Of course, they are letters to the editor, so they're not necessarily backed up with evidence, but I do appreciate the answer.

Mr WALL - Thank you.

Mr VINCENT - Excuse me, Chair, I have an answer for you on Bell Bay.

CHAIR - I'd be very interested, thank you.

PUBLIC

Mr VINCENT - Delays have been due to the types of vessels being chartered not having suitable mooring arrangements that allow for continuous loading. Also, daylight-only hatch inspections by Bio Security Tasmania have also caused some loading commencement delays.

CHAIR - Thank you, I appreciate it. Mr Hiscutt, you had more questions?

Mr HISCUYT - I could keep going all day; most of the nice ones though. I noted the EcoPort certification at three of our ports. It doesn't state which three, unless I missed it somewhere else in the report. I wanted to know if they were the smaller ports we've just fixed up or are they the bigger ports?

Mr DONALD - Certainly. It was because the prior year we had certified the other port. So, our four primary ports now with Burnie, Bell Bay, Devonport and Hobart are all EcoPort certified, which is a great outcome and again, a proud moment for me and for the team, a lot of work.

Mr HISCUYT - Absolutely. Just from that, I wasn't sure if that was just getting a few little wins or whether that was the big ones ticked off.

Ms WEBB - In relation to that, congratulations. It's good to have that certification there. In a material sense, what impact does it have?

Mr DONALD - It's all about the processes associated with the management of those ports. It's our understanding of the ports from an ecosystem perspective, the flora and the fauna, links to our sustainability strategy, the way in which we're developing and managing our infrastructure. It's really about just being responsible. It's a higher level of -

Ms WEBB - I understand - thank you. My question was more relating to - is it something that we're able to leverage beneficially for TasPorts? Does it provide any material benefit in that sort of way? It's inherently a good thing that we're achieving that. Are there any other -

Mr DONALD - Certainly credibility with our customers, I think, is positive, but that's probably just a nice feeling that everyone gets from doing the right thing. I think, more broadly having a more detailed and focused understanding of the environment in which we are operating - and I should mention it's above and beyond just the flora and fauna and certainly linking to our sustainability strategy. It goes above and beyond and it's all about maintaining social licence in our communities and understanding of Aboriginal heritage as an example.

In my experience, we are custodians of our ports for the State of Tasmania. We have to be responsible, we have to be aware of the environment that we're operating in from a flora and fauna perspective, but also more broadly the environment. The EcoPort certification gives us guidance on the elements that we need to satisfy for the certification, but more broadly that has an impact on what we do every day and how we go about it.

Ms WEBB - Are you staying in that area at all?

Mr Hiscutt - No. I'm jumping all over the show.

Ms WEBB - Do you mind if I stay in that area then with a couple of questions?

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CHAIR - No, if you're in that area.

Ms WEBB - It's come up in a discussion here around the sustainability strategy and other matters like that. I wanted to ask for a little bit more information. You've also mentioned in your annual report that you've done climate risk assessments across the major sites. I see on your website, on your sustainability page, you mention climate change and the risk assessments done. Are they things that you're able to share publicly?

Mr DONALD - I think we probably can. I will have to get advice on that. There might be some sensitive information.

Ms WEBB - Are you able to provide them?

Mr DONALD - I'm sure we can redact if there's anything sensitive, but I would be more than happy to do that.

Ms WEBB - Thank you. I appreciate that. That sort of work is really important to be done across all industries, really. The more GBEs share expertise and learnings about how they're going about making climate risk assessments, I think, is probably publicly a useful thing to do.

Mr DONALD - More than happy to do that. I will also share that, as part of our materiality assessments conducted, we involved 128 different stakeholders across our ports that have all had input into what they see is important from a sustainability perspective. It's been a very thorough process and we've got some great feedback.

Ms WEBB - You mentioned here about sustainable development goals being - you're recognising that as something that the World Port Sustainability Program is linked to. Is that something that you have specifically addressed in your sustainability strategy?

Mr DONALD - Sure have. We have four priority pillars and areas of focus that we're targeting over the next five years with our strategy.

The first being climate and environment, which looks at establishing decarbonisation targets and programs, establishing actions to contribute to the ecosystem improvements and Tasmanian circular economy.

The second one is about people and community, which means building trust and partnerships of shared value, demonstrating safety best-practice and having an inclusive and desirable workplace culture.

The third is around sustainable growth, which is supporting and enabling the growth of the renewable energy industry and ensuring TasPorts' long-term financial resilience.

Leadership and governance is the fourth pillar, which involves disclosure and reporting of ESG performance indicators and development of decision-making criteria.

Ms WEBB - It looks really good. You've got a lot of information that is available on your website. To summarise for us: is there something you can point to in this past financial year that was the biggest achievement in terms of sustainability - or something that you've

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achieved and then what you've got as a focus maybe for the next financial year, in terms of something to move forward on?

Mr DONALD - From my perspective, the greatest achievement was the materiality assessment, with such a huge amount of collaborative input. As I said earlier, we're really proud to be the custodians of our ports, but we want the collaboration and input of the whole community around how we will continue to manage them. Of course we have more information than everyone else, so we need to make informed decisions, but we also understand the responsibility of transparency in that regard. That's what I'm probably most proud of in terms of the achievement. Moving forward, it's going to be the implementation of the plan and I'm very confident that we will hit it all.

CHAIR - We might as well go to Mr Edmunds and come back.

Mr EDMUND - I think it's on the bottom of page 26, there's commentary about the workforce injuries. It says, 'Our injury frequency rates continue to improve'. However, towards the back of the report on page 62, the data for lost-time injury frequency rate is six when the target is less than two, and the total recordable injury frequency rate is 13 and the target was less than five. I'm wondering how to reconcile the statement with the data, if you have any extra information that might explain that.

Mr DONALD - Sure. I might get my team to provide me with some information on that one. In that regard, I know our performance metrics are both leading and lagging indicators and we're spending a lot of time on proactive, visible leadership initiatives to really lead a mature safety program. We have an ambition for a generative safety culture at TasPorts, which is the highest possible standard, noting that that is near impossible to achieve; but there's nothing like a target and there's nothing more important than the safety of our people.

I will share that we're not alone, however. The psychosocial risks and our management of psychosocial risk has certainly been through a change over probably the last 24 months. It's been a huge focus of our business, and I would probably say a huge focus within the community more broadly, about mental wellness. As employers, it's going to continue to be an area that we all need to get good at it in terms of caring for our people.

I will come back and specifically -

Mr EDMUND - I'm interested in the statement about them improving, but they look to have gotten worse, at least from the annual report the year before. Thanks.

CHAIR - I have a follow up question. The annual report on page 26 states that:

To promote safety, wellbeing and risk awareness, TasPorts is expanding the Employee Assistance Program to include onsite counselling at high-demand sites.

First, what are the high-demand sites? Second, what prompted the change in offering EAP services? Has employee feedback indicated that previous EAP offerings were insufficient? How is employee satisfaction with services like these tracked? Third, if visits are going to be in person and onsite, how will you ensure staff privacy and confidentiality? It's

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following on that you're looking to promote safety and obviously you have this statement about the EAP.

Mr DONALD - I will answer all those, but if I forget one of the questions, because there are about five there -

CHAIR - No, I can always come back to the first one: what are the high-demand sites?

Mr DONALD - We commenced bringing EAP, I believe, onto our sites following some of the criticism that our organisation received through the TT-Line issues. A lot of our people went through some challenging periods associated with that. Our people are very proud about what we do and how we do it and took a lot of that to heart. We took a decision to bring EAP onto site to make it more accessible. That was to complement the other part of the program, in which people can make direct contact to the provider and have either a meeting in their facilities or an online call or a telephone call. We've seen a positive uptake in that and so we have been regularly rolling that out across our main sites.

CHAIR - So, high demand sites would be a larger number of employees?

Mr DONALD - I would be speculating, but I'm expecting that it was all our primary ports. I do believe that we also have had visitation to the islands as well.

CHAIR - How do you track the employee satisfaction, now that you actually have these EAP services?

Mr DONALD - We regularly get feedback and ask for feedback with respect to the program. Of course, everything remains confidential, but the provider provides us with details of the number of people who are using and accessing the program.

CHAIR - So, they're in person on the sites as well? I guess that makes it difficult for the staff privacy and confidentiality.

Mr DONALD - Yes, when they're on site they are allocated with a room where possible, it's a confidential room, it's not out in the open where people can see them entering the room. Of course, it's not completely confidential because there are opportunities for people to see someone going in and out.

CHAIR - Particularly on smaller sites.

Mr DONALD - Also, I'd say that across our business there's almost been a realisation and a normalisation of the use of the EAP program. We've had members of our leadership team, including myself, accessing the program from time to time and being upfront with staff about that.

CHAIR - Give it more normalcy?

Mr DONALD - Yes, I think it's really important. When people break their arm or hurt their knee, it becomes visible and that invites empathy and sympathy, but when someone's suffering from -

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CHAIR - Something you can't see.

Mr DONALD - something you can't see, sometimes it's more challenging, isn't it? So, as a community, we all need to become better at supporting people through those processes; as employers we need to continue to get better. The legislation and guidance on this topic are good. I would also say that we need to make sure that we have structured processes and procedures in place to care for our businesses as well.

CHAIR - I appreciate it, thank you.

Ms WEBB - Can I follow up on that point, if I may? Your workplace culture survey is done every two years, I think, is that correct?

Mr DONALD - We've been doing the engagement surveys more regularly than that, every six months, and the last two in particular have demonstrated a significant positive uplift and we're planning to roll out another one shortly.

Ms WEBB - Okay. I was going to ask about when the last one was and then when the next one is planned. I noticed in your reporting on your statement of corporate intent where you talk about positive workplace culture, you're saying it's N.A., because it's a biennial survey. I presume that maybe that didn't happen during this financial year being reported on?

Mr DONALD - We haven't conducted an OCI, but what we've done is engagement surveys which are shorter and sharper and gives us great data. It was reported 12 to 14 months ago when there was a heightened publicity associated with our role and interface with TT-Line and the acknowledgement and identification of the delays. Our team was hurting, and we had a planned culture and engagement survey, and I decided not to delay the survey. That was the best time for us to know how our people were feeling. It was perhaps not a great - looking at the numbers, it was a pretty terrible feeling. Certainly, as CEO of the organisation, I completely take responsibility for how people were feeling, but there were certainly some significant external factors, and I and the management team supported by the board, our number one priority is that we have the best possible workplace.

Our people at TasPorts are incredibly proud; it's one of our values and it's something that we continue to drive. To be a brilliant workplace is one of our strategic pillars and I will personally leave no stone left unturned before we achieve that.

Ms WEBB - As it gave you the task ahead, didn't it, to do the survey at that time and allowed you then to make appropriate decisions?

Mr DONALD - Yes, and we had some feedback about how we're being perceived, rightly or wrongly, how people felt. We also had feedback about a greater need for an understanding of our corporate strategy, which we've now put some excellent work in place. We had some feedback that the organisation wanted to see more of the leaders visibly across the organisation out in the field. Therefore, the executive and senior management team are now spending a lot more time out in the field, and we're actually measuring those times to make sure we're accountable to ourselves and to the team around how often we're out in the field and how valuable that work is.

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We received some feedback regarding resource constraints and workload more broadly. There are probably a couple of things in that. One is that we have a strategic initiative in place to digitise TasPorts. Some of our technology is advanced, but some of it, for our corporate systems, is very old and our finance system in particular is very old. We do have a lot of manual processing tasks and activities which become very cumbersome and there's a lot of re-work associated with that.

We've done a lot to make sure that our people feel supported. We've increased resources in a number of key areas to relieve some of those pressures, and we're imminently going to do another engagement survey. We will learn more and then we will decide on the next string of tasks and activities to focus on.

Mr McCANN - If I can add to that. The board takes on the seriousness of this issue. We meet in Hobart, Devonport, Burnie, and Launceston. Where we can, we will always meet with staff. Typically, we would meet on the wharf, at a BBQ lunch, mingle with staff. If we can't do that, we will meet in the office. The board is very heavily committed to meeting our people, hearing from them and, I think, we're getting wonderful feedback from that as well.

Ms RATTRAY - Thank you. If I could go back before I go to other -

Mr EDMUND - I've got one on this as well.

Ms RATTRAY - No, if it's on the same issue. I'm going back to a question -

Mr EDMUND - I'm interested in the report that we were just talking about.

Ms WEBB - The workplace culture report.

Mr EDMUND - Thank you, Meg. I've got a bit of a headache, sorry. Are we able to see those? Are you able to release the most recent survey that was done?

Mr DONALD - I think we can provide a summary. I will take some advice on that. I will be more than happy to provide a summary.

Mr EDMUND - Thanks.

CHAIR - Thank you. If I could go back to the shiploader for a moment, and to the minister if possible. Obviously we know that it's old and needs continuing updates. The reason that it's taking two years - can you, minister, do something to help fast-track the process of the new shiploader? Can you expedite the process of getting a new loader? What are the reasons? Is it because of the funding that's actually not coming through, or does it just take that long to get a new shiploader in place? I have some further questions that have been forwarded to me, and I think it's a good opportunity while we have you here. Is there something you can do from a ministry position? Is it to do with funding? Is this the reason that it's actually taking two years, or what is the reason?

Mr VINCENT - Having been down to the wharf and had a look at it -

CHAIR - Yes, I know you go to all these places and check it out.

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Mr VINCENT - I had it explained to me, and we discussed the cost, but because it hadn't been to full design build and it was a - in my words - major upgrade on the system we are presently using, to be more efficient for these larger-hull ships and to get a better spread of - there was a lot more complexity to it.

As it went to design build, we've already heard about the increasing costs of design and some of the things that had to change. That has gone through the board now, so naturally that is in its process by the sounds of it, in coming to the two shareholder ministers. We go through the report and sign off very quickly. We do not hold up the system there.

CHAIR - Can anything be done to actually expedite the -

Mr VINCENT - The fact that the tenders are already in, is only a matter now of it coming through to us shareholder ministers and signing off, and then it going back. The process, I should imagine, between board and operations would be fairly quick once it's signed off from us.

CHAIR - But it's still June 2028. Can anything be done to cut that two years?

Mr VINCENT - Anything with machinery they like to operate as quickly as possible. Certainly, TasPorts would be looking for efficiencies in it. Quite often - and I did notice the CEO was guarded on the tender information because tenders quite often have various timelines being able to do it, or ways of being able to improve the timeline of the operation. But I'm not privy to that at this point.

CHAIR - I'm trying to understand.

Mr VINCENT - It's in our interest as TasPorts and the state government to have this done as quickly as possible, but you don't want to make mistakes along the way because there's a lot of engineering. We did learn from having been involved with other shiploaders that you have to get it right. The process is well underway from all information today and we will not, as shareholders, be holding up the process as long as all the details are there for us to be satisfied.

CHAIR - There's nothing from your side that you can actually do to expedite it or expedite it?

Mr VINCENT - Not that I could expand on now. If there was, I think TasPorts would be very quick to tap me on the shoulder, but I would not imagine that to be the case knowing the detail they've gone into with the tenders already.

CHAIR - So it's not likely that you will be able to cut the two year - it's just that I'm having industry come to me and saying, surely -

Mr DONALD - I think perhaps we can take that question after we award a contract.

CHAIR - Okay. Thank you. Mr Gaffney.

Mr GAFFNEY - Just couple of things: I see that there are 338 employees, 226 male and 72 female; is that a consistent number for last year in your numbers, vacancies and gender?

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Mr DONALD - Slightly higher in number. Yes, the gender split has improved by I think 1 per cent. The increase in numbers, we went through a significant increase in towage staff, so in our marine - if you look at our gender split in our profession, if we split it up into professional and support staff, our gender split sits between 50 per cent and 40 per cent. When we look at our landside operations and maintenance staff, I think it's 3.75 per cent, which is incredibly low, and our marine team is 4.5 per cent, so slightly higher. So absolutely as an organisation, but as an industry - and it's a global challenge - we need to do better in this space and get a better gender split, and we're very active in this space.

Mr GAFFNEY - Gender breakup in leadership positions: what's the -

Mr DONALD - Across the whole senior management team, it's pretty close to 50:50. I will take that on notice and get back to you, but I think it's about 60:40.

Mr GAFFNEY - And the pay gap?

Mr DONALD - Gender pay gap?

Mr GAFFNEY - Yes. Is it improving?

Mr DONALD - Yes, it is. It's improving.

Mr GAFFNEY - Have you got some numbers there?

Mr DONALD - I do. I might take a minute to find that one.

Mr GAFFNEY - While it's being found, my other question is what relationship do you have with VET and TAFE courses about making sure that you've got a sustainable workforce having the right qualifications into the future? I see you have some Cert IV requirements. So how do you work with our training organisations to ensure that we've got sustainability, and future-proofing the organisation with staff with the right abilities?

Mr DONALD - Certainly the first task that we've implemented in that regard was to undertake a training assessment and a training competency assessment across the organisation, and mapped all the training needs, particularly around the compliance training. Some of it is new compliance training. Some of it is associated with maintaining compliance training. I know your question is more related to apprenticeship schemes and things like that; we are looking into that program. In terms of our next five years, our next three-to-five-year people and culture strategy is around setting our workplace up for the future. One of our strategic pillars in that field is looking at essentially what does the TasPorts workforce of the future need to look like, and how do we start to transition to that now.

Some of that is through examining the links to our diversity, equity and inclusion program. Gender pay gap and gender balance: some of that is through the types of roles and functions that we will continue to need in the future, which again will change. Some of our activities are very manual in nature, even some of the back-office sort of corporate activities, very manual in nature and that will change over time. I don't expect that, generally speaking, our employee numbers will change significantly. I think the type of roles that TasPorts performs in 2025 compared to 2035 might be very different.

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Mr GAFFNEY - What about apprenticeship numbers? Do you run apprenticeship programs?

Mr DONALD - We have in the past. I will need to take advice. I think we've got one apprentice at the moment.

Mr GAFFNEY - Okay. One apprentice.

Mr DONALD - Some of the challenges we've had with that is that we can only provide opportunities for some of the work activities and we would need to find some partners to share the apprentices with. I've had some conversations with some construction contractors around setting up a joint program so we can share in some of the resources.

Mr GAFFNEY - Is that something you think might come to fruition next year? I believe our GBEs need to be supportive of our future youth and apprenticeships, whether it's youth or an older person, it doesn't matter with that. To have only one apprentice across such a large organisation could be questioned, I think.

Mr DONALD - Perhaps I will take that on notice and give that some thought. Our focus has been on a graduate program. We currently have three graduates in at TasPorts. The program is for two years, and they move through different parts of the organisation. I think we've recently awarded another three, so every year we're putting on another three graduates. We've been developing and strengthening our relationship with UTAS and the Australian Maritime College - that's really been our primary focus. The number of tradespeople - our tradespeople are incredibly important. We've kicked off a number of times over the last five to eight years the establishment of an apprenticeship program, and to be frank, we haven't got it right. We perhaps need to have another look at that one. But again, our focus has been on a graduate program.

Mr GAFFNEY - I've noticed in your annual report you talk about upskilling and providing opportunities for people to develop their skills and take on further education. Is that something they do out of hours or is it a relationship where they can attend -

Mr DONALD - Both.

Mr GAFFNEY - Both?

Mr DONALD - Yes. We're underway now, in the early days in the commencement of a leadership capability program, which will be across the business.

Mr McCANN - Can I just add, we also have an interim director on our board - she's not formally a director, but she's there for 12 months. I think that program has been running for about six or seven years. Every year we bring on board somebody new.

Mr GAFFNEY - Is that from within the organisation or just as direct board?

Mr McCANN - No, from other GBEs mainly. I think the current one is from the Hydro.

Mr GAFFNEY - Excellent.

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Mr McCANN - And they have been female.

Mr GAFFNEY - This question is about short-term incentive payments that I'm interested in. I see that a short-term incentive payments, for those people listening at home, are:

Non-recurrent amounts paid or payable, which depend on achieving specified performance goals within specified timeframes. These payments are capped at 15 per cent, as per the guidelines.

It really interests me how somebody who could be in a position can have a short-term incentive payment. You just think, well, that's my job and that's what I have to do - so how does that work?

CHAIR - Good question.

Mr McCANN - Yes, it is a good question. It's a question that the new board has asked as well. In fact, the new board is not comfortable with it, and we've removed that program going forward.

Mr GAFFNEY - Oh, good.

Mr McCANN - The problem with it essentially is that you have say, the executive leadership team, where somebody is responsible for finance, somebody for people and culture, there are so many different areas, and they all have their own key performance indicators, but none of them really come together; they really are very focused on their own patch. So, we decided to roll those up into their bases going forward. I think it's a better outcome; it helps us get everybody focused on one goal and it's going to bring the leadership team together even more.

Mr GAFFNEY - Yes, because unless you can measure the contribution that came back into the company about what that KPI actually did, I think it would be divisive more so.

Mr McCANN - The way it was set up, in theory, somebody could achieve all their KPIs, but the corporation could fail theirs and they would still be entitled to a bonus, which is just not right. Certainly the board pointed that out and we spoke with our executive team, and they all accepted the logic behind that.

Mr DONALD - I will say that the implementation of the program has been in accordance with the government guidelines.

Mr GAFFNEY - Yes, I saw that. I wasn't suggesting there was anything untoward. There seems to be an outdated way of looking at that. It's like CEOs in banks getting percentages because they're on huge amounts for their job, really.

Mr EDMUNDS - They're doing their job.

Mr GAFFNEY - Yes, exactly.

CHAIR - Do you have a follow up, Mr Edmunds?

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Mr EDMUNDS - Yes, I do. With regards to rolling these into people's contracts. Is there any evidence - or can you talk me through - is it not just the fact that the incentive payments have been rolled into people's salaries?

Mr McCANN - Well, that's the mechanics, of course. What we do to check that is we would engage someone like Mercer, which we have, and they've benchmarked all our people against industry standards. In every case we're well within the standards, the average across the industry across Australia.

Mr EDMUNDS - Reading the annual report - to the untrained eye, it looks like we've got rid of the incentive payments, we've rolled them into salary. So effectively people are still being paid the same amount, and might have less accountability about whether they're actually delivering.

Mr McCANN - Yes, I think that's a fair observation. But their new objectives will be broader across the - they will be corporate-wide objectives. The intent is to get everybody to work as a team to achieve the corporate objectives. If we can achieve that, if we can get everybody directed on these goals, then I think TasPorts would be a much better organisation as a result. That's what we're looking for. It is coupled with a new emphasis the board is putting on the improvement of asset management, of improving culture, safety, risk-management, financial performance and financial ability to fund our capital works program. It's all about building a bigger and better organisation and having everybody aligned with that goal.

Mr EDMUNDS - Was it more the case that those payments were creating headaches internally and externally so you've just rolled them in? The quantum of money being paid to these people is the same. Is that correct?

Mr McCANN - The result of it is the same. I think for any organisation trying to deal with bonuses and incentives, it's a distractible time. It doesn't really achieve what it's meant to achieve. As I said before, everybody can hit their targets, but TasPorts may miss its targets, so what's the point of having an incentive program? The general trend across industry is to remove short-term incentive bonuses.

Mr EDMUNDS - Essentially you want everyone pulling in the same direction rather than worrying about their patch.

Mr McCANN - That's right.

Mr EDMUNDS - Which, I guess, broadly we had that issue with the TT-Line, TasPorts, government, state economy. That wasn't meshing, was it?

Mr McCANN - Well, you have to avoid a situation where people try to increase their share of the pie instead of building the size of the pie. That's what we're trying to do as a board. That's what Anthony is trying to do as well.

Mr EDMUNDS - I've just got to pick up a couple of loose ends from others' questions, if they will permit me. To that point, when it comes to the loader that we've been talking about, and the fact that we've got delays occurring, impact on the Tasmanian economy. I know the minister has answered, but perhaps you guys being closer to the organisation may be able to talk to this. When you see that there's impact on the Tasmanian economy, we have delays, we

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have a really old piece of equipment that's not really fit for purpose anymore, what can be done - to the Chair's question and her point - to expedite this as quickly as possible considering that it's having a broader impact on the Tasmanian economy than just the books of TasPorts?

Mr DONALD - Of course one of the things that can be considered is acceleration of construction, and that always comes with additional costs. The other element is the implementation of construction or erection of the loader needs to be done around the current operation. That does take careful planning and it's important that it's implemented such that we don't have anything other than planned disruptions.

But, as the minister indicated earlier, we are - there is no reason why TasPorts will allow this project to take any longer than it needs to. We want it implemented just as quickly as our customers. We're the ones who are out there keeping it running and we would much prefer to have a brand new loader with all the bells and whistles; you know, the technology that gives us access to iPhone and iPad performance metrics; lighting rates; compaction rates.

Mr EDMUND - Just to come back to a question from Mr Gaffney, when you were talking about the gender data, you said you were very active in that space. I'm wondering what 'very active' means in terms of your attempts to take on those figures?

Mr DONALD - We're doing a number of things. The first part I would say is that we developed a diversity, equity and inclusion plan and have been rolling that out across the organisation. That's been supported by, I think, quite an innovative training program that has included taking some more time to explain to some of our staff what it really means and, equally, what it doesn't. Gender balances and gender pay gaps do invite a particular response from some individuals, and some individuals need greater assistance to be educated about how important it is and how we're going to implement things.

We haven't mandated that we're going to hit particular levels, but we are very ambitiously targeting an uplift. We know that we need to work with our training organisations, particularly UTAS and AMC. We are putting some focus on work experience opportunities for female students. Our graduate program - there is greater female participation than male. Through interview processes - not selection, but through interview processes - we're looking to ensure we have a very healthy gender split, so that there are opportunities being provided to perform at interviews. There's a range of different things.

Mr HISCU - I have a question in relation to the consultancy summary. If I read it correctly, there's been over \$11 million spent on consultants. I wonder if you could explain that. Obviously, we need to use consultants, that's fair, but, at that number - that could employ 60 people at a fair wage. At what point do we look at - for example, eight different businesses that have had contracts for engineering consultancy and services. At what point do we look at saying, why don't we manage that ourselves? If you could give some information.

Mr DONALD - We use consultants to buy in particular capability or expertise that we don't have internally. A lot of that is associated with the infrastructure that we're managing. Our capital works program, in particular. That continues to grow and is directly related to the consultant spend. This year, if you compared it back to four or five years ago - I think the number was around \$4 million to \$5 million. I was sitting in this room four or five years ago, promoting a view that I thought the number would double. I think it will double again - not to get to \$20 million, but as our capital works program increases over the next three to five years,

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it will probably get to \$14 million to \$15 million spending on consultants. Again, a lot of that is linked to planning, design, project management, external project management of construction activities, or management of our assets.

Of course, there are other sorts of technical expertise that we buy in from an accounting perspective. We're digitising TasPorts at the moment. We have a really positive digital program that I will be pleased to talk about in greater detail next year. I don't see it as a big number. Our focus is on making sure we get great value for money. We track - and I think our performance on local content is sitting at around 75 per cent. That's not too bad. It would be great if it was 100 per cent, but some of the capability and expertise is either not in the state or, or when we run through our tender evaluation processes, there are national businesses that win work.

Mr HISCUTT - So you're comfortable; do you think there's any improvement to be made in that space?

Mr DONALD - Always improvement, you know, better value for money, better procurement activities. We've got panels in place for our consultants so that does help from time to time.

Mr HISCUTT - I presume, for example, things like when it's engineering consulting and services, one would be a specialist in X and one would be a specialist in Y; that's why there are so many. It's not something that you can have a heads of agreement with a company to provide more services to get better value for money.

Mr DONALD - That's right. And it's also about resilience too. We wouldn't want to have, as an example, one consultant providing services across the state. If something was to happen to that consultant, then we'd have some challenges. So having multiple businesses in multiple fields encourages greater resilience, but it also promotes competition too. We pride ourselves on being a client that understands what it wants to buy. From a consultant perspective, we know in order for consultants and contractors to do their job well we, as a client, need to do our job well: first, in scoping the work in, and clearly articulating the services that we want to test the market on and then manage.

Mr HISCUTT - A bit of a balance between competition, but also efficiency with knowing the people you're working with as well. I will leave that as a comment.

Mr VINCENT - If I could add to that a bit: since taking over as shareholder minister, a lot of the discussion, especially with the new board coming on, in the skills that we spent a lot of time finding the right people to get the balance and the skills matrix right for the board, was very much about where the CEO needed to take the company to in coming years. There's been a lot of criticism of infrastructure, failing infrastructure, and it's very easy to look at even Macquarie Wharf 6 there and say look, it's a nice concrete slab, it looks all right. Birds love it, Boats come up against it too, but it's the underneath structure.

When you move around the state, looking at whether it's Stanley or Burnie or Devonport, the ageing infrastructure and the effect of salt water, and the modern techniques now needed to evaluate the ability for that understructure of the wharf to last decades is a lot more articulate. The amount of electronic ways of monitoring all parts of wharf structure now is a lot more modern and very high-tech, and we're still learning as we go with that, but we are advancing through the board a very comprehensive list over the next couple of years of exactly all the

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assets of TasPorts, where they need to be now, medium term and long term, and the approximate costs for that. That does take a lot of engineering to do those sorts of projects.

An example of that is berth 4 at Burnie. It's a wharf that - I'm sure the CEO will correct me if I get this wrong - but it's about 160 years old. When you stand at the end of the wharf you can actually see the original Lego blocks - I call them, because they integrate like a set of Lego - still sitting there. There have been three or four walls built over the top, and it's collapsing of underneath. To be able to do those projects and be able to cost them out and understand the influence they're having on the size of the ships that are now using the ports and engineer designs that are going to be for the next 50 or so years takes a lot of work. So I'm expecting the consultants bill to increase, as the CEO indicated, but the amount of work and what that will give both the TasPorts board and management as well as government on being able to look for forward Estimates is going to be invaluable for this state.

Mr HISCUTT - It would be good to have some accurate forward Estimates. Can I follow on, sorry -

CHAIR - Is it the same -

Mr HISCUTT - Mine sort of moves into a new area.

CHAIR - Mine's probably the same area. We're talking about the way that the infrastructure - we've talked about the infrastructure. Mr Hiscutt, you go, because I will follow up later on if need be.

Mr HISCUTT - That's alright. I was going to pick up on two points you said: (a), the increase in the consultancy and therefore the potential increased capital works which you were indicating; and your asset renewal, which I noticed in there, which is good to have. What is the strategy that - obviously, if you investigate stuff, you find out there's more stuff wrong and that creates a capital investment problem that you need to resolve. Financially, what does - I know we don't have the outcomes yet, but from the preliminaries - how is the board and the company expecting to manage that potential - because once you know a risk there, you need to deal with it. What is the strategy at the moment? Not sure I've articulated that question well enough.

Mr McCANN - From a safety point of view, I will refer to the CEO. From a long-term planning and funding point of view, I will come back to that.

Mr DONALD - From a safety perspective, if we have concerns about safety we will intervene. We will either remedy concerns or we will close assets down because we won't put people at risk. But we have a very good understanding of asset condition across the state. It's taken considerable time. When I first joined TasPorts, there were a few condition reports in the bottom drawer of filing cabinets.

Now every asset is inspected regularly. We have an asset management system that's monitoring and modelling our asset condition. We are working through, with the board and the shareholder, on our short-, medium- and long-term financial strategy and asset management plans in order to maintain levels of service for all our commercial assets, particularly the ones that are linked to current utilisation of berths for customers?

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There might be one or two wharves that over time we find opportunities to rationalise. For example, we might have two customers share the same wharf. That's not unusual. We are quite unique from an Australian port perspective, because our asset utilisation hovers around 30 per cent to 31 per cent, which means two-thirds of the time there are no ships at those berths. That's quite challenging from a financial perspective. If you think about some of the other ports around the country, they have berth utilisation somewhere between 80 per cent to 85 per cent and 100 per cent. That would be a great problem to have.

Mr HISCUIT - To the other part of the question. Handling the fact that we're expecting a lot of capital expense to come from that, what's the strategy and plan for that?

Mr McCANN - Yes, that's right. When the shareholder ministers appointed virtually a new board, we were asked to look at TasPorts through a fresh set of eyes and to make sure that it is set up for the future. To do that, you really have to look at where you are now, where you want to be in the future, and try to map a path. You have a corporate strategic plan and then there's a whole range of other plans that underpin that.

We're talking now about the strategic asset management plan. The first cut of that plan will show you all our assets. It will do the current status, how you would have to maintain it, and maybe replace it one day. That's a very detailed process. You can't immediately assume that that's what you will do because you have to then look at: what can we afford and what's the return on the investment? Because that is part of our charter to run a commercial operation. You would then ask, are there other solutions instead of replacing like-for-like? There's a whole process that you've got to go through because it's unaffordable to replace everything like-for-like.

We've now narrowed down - we are narrowing, we haven't finished. We're narrowing the focus down to the next five years. Of course, risk and safety are dominant. But then we can't assume that we can go to the shareholder with our hand out. That's just not realistic. We will always explore different funding models. Some have happened in the past. Obviously government has put in equity, government has provided grants, there are loans through TASCORP. That's the traditional way that we would fund it.

Also from retained earnings. Whilst we pay 90 per cent of our profits in dividends, we also accumulate money because a lot of our expenses and non-cash expenses, like when you write-off an asset over 30, 40, 50 years, the outlay's upfront and then you amortise over a period of time and that's a non-cash outgoing. That sort of gives us a capital - it adds to our capital reserve.

We'd look at that, but you would also consider other options. Can you increase the debt level? However, to increase the debt level, you have to be absolutely confident you can service that debt. Or should we look at other options such as a public-private partnership? We own a lot of land around ports. If somebody wanted to build a car park, for example, on one of those parcels of land, we're not into building and running car parks, but we could certainly form a public-private enterprise partnership where we'd provide the land, somebody else would build it and operate the car park and we'd get a return on that investment. There are other ways you could do something similar through a joint venture or through a special purpose vehicle. The construct of how you would do that would depend on the circumstance.

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We're not saying that this is an impossible task; we don't really know what the task is yet, but we feel that we have to explore every option. Our first option isn't to go back to government. I think we have to be a self-funding corporation if we can.

Mr VINCENT - One of the things that we do have to remember all the time is that TasPorts has a very varied portfolio of marine structures. From ones that are fully commercial, which you can understand the numbers and the feasibility and the sustainability around those ports and then there are a lot of commercial assets with very little return - almost no return. So, how do you fund the massive increase in cost of maintaining or replacing those? Then there is an enormous amount of community assets - old ports around the state where you have to weigh up the viability of what is needed for that community and what isn't, and what could be used in the future. That's a changing dynamic all the time. Then you have legacy ones that are just there, that they've inherited and we're not too sure on how to work through that. It's a balancing act for the board and the finances all the time. It's quite a comprehensive list.

Mr HISCUYT - I think the answer is we will have a better picture next year?

Mr VINCENT - Certainly working through it in a very professional and detailed way at the moment.

Mr McCANN - My comment about the dividend is not a criticism. We fully respect that. The shareholder is entitled to return on their funds. So, it's not a criticism.

Mr HISCUYT - No, it's just that there's a clear indication through this report that you're working on that, that's the comment that the consultancy fee will go up because we're getting to that, the next body of work is dealing with it. So, we're not quite sure exactly, in exploring the options, on how we're going to deal with that.

Mr DONALD - Not completely, but largely the consultant spend is a reflection on the sustainable asset management, it's not the reverse. It's the concrete walls that are driving the spend on consultants, is probably what I'm trying to say.

Mr HISCUYT - Yes, and that's what I'm saying. They need to be resolved at the end of it.

Mr VINCENT - We fully understand that we can be fairly accurate on a five-year basis, but when you start to look at 10, 15 years, it's a broader spectrum you're looking at based on known factors at the time and then projecting out - so that's a liquid, I suppose - and being adjusted as a rolling asset management review all the time. Some things come forward, some move backwards, but we're going to have a lot more detail than we've ever had before. The amount of work that Anthony and his team have done in the last 12 months on that is incredible, and that will continue.

Mr HISCUYT - Thank you for the answers.

CHAIR - Continuing in that area. You valued your ports based on the future income generating potential, is that right? I noticed that if a port isn't going to make any meaningful revenue, it's impaired to a zero value.

Mr DONALD - That's historical - so it's been happening for a long time.

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Mr McCANN - That's a standard accounting practice.

CHAIR - Right. So basically, in the future you will have some increasing debts, and you have the question of borrowing capacity. That will be a bit clearer in the next budget or in the next financial year as well?

Mr VINCENT - Correct. We take advice from the board on a regular basis on upcoming projects and what's needed for the funding of those projects.

CHAIR - This is a follow-up - you mentioned in the answer to Mr Hiscutt's question that you do own land around ports and can look at it. I noticed in some of our briefings to do with the Macquarie Point stadium, it was mentioned that it does involve incorporating some land currently managed by TasPorts. Can you give us an indication of how much land might be actually provided to the Mac Point stadium proposal? It seemed interesting, it's a working port, and I understand it's not the entire port, but we were told that some land of TasPorts would be included to make a larger footprint.

Mr DONALD - We can provide - we can get that figure. It's relatively small.

CHAIR - I thought it was an interesting that we were actually told that.

Mr DONALD - I will say that we're working very closely with Macquarie Point Development Corporation so that sensible decisions are being made, irrespective of existing land ownership, on how the infrastructure is going to be designed, built and then delivered, so yes.

Mr McCANN - We will always take a Tasmanian-first approach as long as we can meet our other objectives.

CHAIR - As an operating port.

Mr McCANN - Yes, but then with vacant land, if we can be a good neighbour, then we'd want to make sure we can approach that with a commercial -

CHAIR - No. It would be good to get the size.

Mr DONALD - We can get the square metre.

Mr McCANN - Chair, can I confirm something I told Mr Edmunds: in terms of the short-term incentives, when we rolled them up, the original incentives were from zero to 15 per cent. We just took the average of 7.5 per cent and rolled that into everybody's base packages.

Mr EDMUNDS - Okay, so 7.5 per cent of their salary?

Mr McCANN - Yes, because they were entitled to between zero to 15 per cent incentive, so we struck the middle point.

Mr DONALD - Chair, if I may, I have a couple of other answers.

CHAIR - Yes.

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Mr EDMUNDS - Can I just tie a bow on that as well, just to be clear: so that money is in addition to other CPI - or how they are negotiated and go up in other ways?

Mr McCANN - It would be just become their new base, and then moving forward they would - once we do reviews, that review would be added to their base, their new base.

Mr DONALD - And annual reviews are undertaken -

Mr EDMUNDS - They're done annually, all the executive, yes. That's what I was trying to say.

Mr DONALD - Our performance is taken into account. Yes. I have a couple -

CHAIR - That's fine, yes.

Mr DONALD - The gender pay gap is sitting at 16.5 per cent on base pay and 17.2 per cent on total rem. As part of the minister's independent review we accepted and are implementing all three recommendations. So we've reviewed the classification structure and career levels. The leadership capability framework is underway, guiding consistent professional development and succession planning, and we've undertaken unconscious-bias training, completed for all hiring managers.

Mr GAFFNEY - Just on that, and sorry to the staff who are looking into that, can you provide me with the gender pay gap from last year so that I can see if it's going in the right direction, the comparison?

Mr DONALD - Yes, if we've got that.

Mr GAFFNEY - It would be helpful to see that, otherwise it's just a point in time.

Mr DONALD - Yes, and our engagement score increased from 41 per cent to 59 per cent in mid-2025.

CHAIR - Thank you very much.

Ms WEBB - Can I follow up on your questions, Chair, from -

Mr DONALD - Sorry to interrupt. It's 200 square metres - the parcel land at Macquarie Park.

CHAIR - Two hundred square metres, thank you.

Ms WEBB - That's what I wanted to follow up on a bit more, for some more information around that. Can you provide us with the details of the interaction with Macquarie Point Development Corporation around arranging that piece of land to be transferred from TasPorts to Macquarie Point Development Corporation? Was there an exchange of correspondence or were there decisions taken? How was the request made? How was the decision taken?

Mr DONALD - Taken back through Jarred - we have a number of different coordination meetings and forums with Macquarie Point Development Corporation. They occur either weekly, fortnightly or monthly. I have contact with the CEO that is a little bit more irregular

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and focused on an as-needs basis. More recently, the chair and I caught up with the CEO and the chair of Macquarie Point Development Corporation and had a great interaction and discussion regarding how we're working together and how we will continue to work together. In terms of the land swap or the land exchange, I think that's just happened with an exchange of letters. I'm not - I'm speculating -

Ms WEBB - Could you provide that to us?

Mr DONALD - I will take some advice from the team in that regard. It's been relatively minor in nature. But happy to provide details.

Ms WEBB - Thank you. I'd just like to see on paper how that decision was made, the request and then the agreement. Also, that would presumably indicate when that decision was made, too. Are you anticipating that there might be - as things develop further should the project be going ahead - further requests for land and space there or arrangements about adjusting the border?

Mr McCANN - The discussions we've had with Kim Evans and Anne Beach have been more around working together to create the precinct. We haven't really talked about transferring land; it's more about - it's like the car park example I gave before: if Macquarie Point or the stadium needs a car park, we would have land to accommodate that. The stadium has no interest in building a car park. So we could certainly go out to a third party and ensure that the precinct does have a car park. We would provide the land, we'd get rent and other returns for that. A private developer would build and operate the car park. That's just an example.

We want to make sure that there's open space, that the precinct works as a precinct. We've got land that could be helpful to that, and as long as we can generate a commercial return from what we're doing, then that sits comfortably with our charter. If it didn't, then we would obviously seek some direction from the shareholder ministers.

Ms WEBB - Regarding the conversations that you had with Macquarie Point Development Corporation, with Kim Evans and Anne Beach, are they documented meetings that have minutes taken? Can you provide us with information about the dates of those and details of those meetings?

Mr McCANN - The meeting that Anthony is referring to was just a meeting. It wasn't a formal meeting. The outcome of that was that we should put together an MOU, which hasn't been done as yet. I think, it depends - is the stadium going ahead? If it's going ahead, then we would work closely together under the coverage of an MOU initially.

Ms WEBB - It sounds like, at the moment, that senior management and governance of both organisations are regularly meeting and having discussions about things that will have material impact in terms of the site, the operations of the site, the TasPorts site, the operations of the TasPorts site. I'm wondering are they being documented?

Mr DONALD - I'm happy to say that, learning from experiences with other matters, all material decisions and changes will be documented. But the initial discussions we've been having are more sort of relationship-focused and general in nature. As the chair indicated, the sort of the agreement to work together on the MOU will give that more structure. I know that the coordination meetings that we've had in place for two to three years now are well documented, but they are not at the CEO level.

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Ms WEBB - Okay. So you could provide a schedule of the dates or - it's documented in that sense.

Mr DONALD - More than happy to do that.

Ms WEBB - Okay, thank you.

Mr GAFFNEY - Further to that question, I was wondering, the land that's been identified - it's only a small parcel - is obviously surplus to the future needs of TasPorts. Is that an assessment of - like when you talk about providing car parks and areas of land - is that part of the long-term vision? Like you say, 'Okay, we don't need that land because -' at this point of time? Do you consider what needs there could be 15 to 20 years down the track? I'm wondering how that decision is made, that that land is surplus.

Mr DONALD - We've been consistent with our 2018 master plan, with how we've described the port and how we see its use into the future. We've been working with Macquarie Point Development Corporation and the Department of State Growth on the whole-of-precinct master plan which Macquarie Point Development Corporation presented. That incorporates our vision for the use of the land around the Port of Hobart, in particular, the area adjacent to Macquarie Point. I'd then go into a little bit more detail and break that up into two. There's the working port area, which is part of our port secure zone, and there's an area that we call a port commercial zone.

That port commercial zone is, largely, how it is today. It's publicly accessible, but there are sheds, car parking, a few buildings - some of those buildings are old in nature and probably could do with an upgrade at some point in the future. They may form part of a private sector development opportunity in the future that we would seek to implement to complement what the balance of stadium might do.

So, we're not talking about changing the land ownership any more than the 200 square metres. It's about optimising the use of the land. The connection through to the Hobart waterfront is really important in that regard. The building envelopes in particular, that have been presented by the Macquarie Point Development Corporation in their whole-of-precinct plan are a direct input from TasPorts.

Mr GAFFNEY - Okay. So, your 2018 strategic plan, did you say?

Mr DONALD - Our port master plan?

Mr GAFFNEY - Port master plan. For how -

Mr DONALD - Fifteen-year planning horizon. Yes.

Mr GAFFNEY - Who was involved in that? Is there a range of groups involved?

Mr DONALD - Yes, that was extensive. That took two-and-a-half years to implement. We kicked that off at the end of 2015 and publicly released it in August 2018.

Mr GAFFNEY - That has a listing of the stakeholders involved in the deliberations and discussions of the future of that?

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Mr DONALD - Yes. It does in our detailed working documents certainly. We are planning for an upgrade to our port master plans next calendar year.

Ms WEBB - Following on from that, you mentioned to Mr Gaffney about the importance and the articulation through to the Hobart waterfront. What does it look like, in terms of consulting, and having regular meetings with the City of Hobart about this? You're obviously having ongoing conversations with Macquarie Point Development Corporation. Are you also having ongoing conversations with City of Hobart about these developing plans and ideas?

Mr DONALD - We will, but it's still early days and we want make sure that we do that in the right timeframes.

Ms WEBB - Have there been any meetings with the City of Hobart and TasPorts?

Mr DONALD - Absolutely, but not on that particular topic. I have a regular meeting with the mayor and a regular meeting with the GM of the council where we talk about anything and everything related to our interface.

Ms WEBB - How frequently does that happen?

Mr DONALD - I think it's quarterly.

Ms WEBB - So the last one was -

Mr DONALD - The last one with the GM was about, I'm guessing six to eight weeks ago.

Ms WEBB - Okay, but there's no discussion yet about the plans and potential developments between TasPorts and Macquarie Point -

Mr DONALD - No, other than an understanding that we know that, at the right time, we will come together. Because it's not just about the land use in terms of buildings and building development. It's also about the connectivity of footpaths, the use of the road network, bike paths, lights, signage, wayfinding signage. Everything will need to be done together.

Ms WEBB - When do you think the right time to be actively interacting with the City of Hobart about that is?

Mr DONALD - I think it's early in the new year.

Ms WEBB - Would that be their view too, do you think?

Mr DONALD - I think so, yes. I'd be confident that they would have rung me if they thought otherwise.

Mr GAFFNEY - I have a question regarding the docking facility at Devonport. I'm sure the member for King Island is listening. The questions regard the Devonport facility's ro-ro, roll-on roll-off, operation. This facility is being paid for by the King Island community via a container surcharge on all freight. As this facility is also used as a mooring for the barge when not at sea, should the charge that Bass Island Line pays to use this facility also come off the

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debt that our community is paying off? So, I suppose they're seeing that it's used as a mooring for the barges. So should you be paying mooring fees? How does that relationship work?

Mr DONALD - This is for the Bass Island Line?

Mr GAFFNEY - This is a question that's come from the King Island shipping group.

Mr DONALD - There's a wharfage rate that's applied to access to that ro-ro vessel. If there was another vessel that would use that facility, they would pay the same wharfage rate. The community is not paying for it directly; they would be paying it as part of the fee for the movement of freight on the *John Duigan*, so the Bass Island Line shipping service. That's no different than any other shipping customer in any other berth, whether or not that be TT-Line, SeaRoad, Eastern Line or Bass Strait Freight. They all pay wharfage associated with the use of our wharf infrastructure. We've been very upfront with the council and the community. I think on a number of occasions we've provided an update on the progress of the payment of that investment.

CHAIR - Thank you. If I could ask you with regards to dry bulk cargo charges. Obviously, transparency, accountability and fee structures are very important, and justification for charges and benchmarking against other ports. My understanding is that TasPorts is significantly higher in their dry bulk cargo charges, being 87 per cent above Portland and 48 per cent higher than Darwin, despite similar operational profiles. Can you explain to me the reason that it's so much more expensive?

Mr DONALD - Happy to take that one on notice.

CHAIR - Happy to take it on notice, yes?

Mr DONALD - I will say that our scheduled port charges are based on a buildup of our costs; it's a building block model. We don't base our charges on benchmarking. That's interesting as opposed to relevant. If there is a comparison being drawn, it might be a reflection on the type of infrastructure or the type of loader or the utilisation of that asset, be that from a -

CHAIR - It seems a big difference when you look at Portland and Darwin, 87 per cent above Portland and 48 per cent above Darwin.

Mr DONALD - I would say Portland is generally - I'm assuming that that's associated with woodchips, but I could be completely wrong.

CHAIR - With dry bulk cargo - maybe, maybe not?

Mr DONALD - Maybe, maybe not. I know the utilisation of assets at Portland is quite high in comparison to TasPorts. Again, our berth utilisation hovers around 30-odd-per cent, I think Portland is significantly higher than that. But again, I could be wrong.

CHAIR - I will send this to you?

Mr DONALD - Yes, more than happy to -

CHAIR - We will put it in a letter to you, minister?

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Mr VINCENT - Yes, thanks.

Mr DONALD - Very happy to do that.

Mr HISCUTT - I notice that the vessel visits are slightly down, but relatively stable from 2600 down to 2500. Just wanted to know trending - is that from previous years, is that continuing to move one way or the other, or is it stable across the -

Mr DONALD - They are coming down slightly. Generally speaking, they're getting wider, the vessels -

Mr HISCUTT - More efficient?

Mr DONALD - Yes, they are becoming more efficient, and I would expect that trend will continue.

Mr HISCUTT - Thank you. Similarly, and it may be a similar answer, but the Devonport Airport freight landings have moved from 500 last financial year, to just under 400 this financial year. Is there any explanation for that?

Mr DONALD - No, I don't have any details on that one. I'd have to take that one on notice.

Mr HISCUTT - Yes, if you wouldn't mind, just to see if it's a trend.

Mr DONALD - Again, I'm speculating - I will have to double check - but we might see a corresponding minor increase in Bass Island Line moving freight to King Island that otherwise has been moved by air from Devonport to King Island.

Mr HISCUTT - It would be interesting to know, with the state of that airport at the moment.

Mr DONALD - We might not be able to prove that that's the exact -

Mr HISCUTT - No worries, happy if the answer is unsure, but it's worth investigating, I think.

Mr GAFFNEY - On the Devonport Airport, do you guys get federal funding to help out? No? None whatsoever, even though there's been new screening and stuff put in there?

Mr DONALD - No.

Mr GAFFNEY - And the strategic plan for the Devonport -

Mr DONALD - I'm sure my team will tell me if we received a grant. I don't actually believe we did.

Mr GAFFNEY - Okay, because it's quite unusual that TasPorts actually runs an airport. Are you aware of any other jurisdiction in Australia where that happens?

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Mr DONALD - Yes.

Mr GAFFNEY - Yes - where's that?

Mr DONALD - Well within - globally there is. It is a trend in the US where ports and airports are run by the same entity.

Mr GAFFNEY - But in Australia?

Mr DONALD - In Australia, I'm not aware of a port business that has an airport. So I think we're unique in that regard. I have experience at an international airport and there's another couple of members of the executive team that have as well. So we're not unfamiliar with airports. There are a lot of similarities. There's some differences as well, the obvious one being planes move quicker than ships, but of course the security and safety landscape is similar.

Mr GAFFNEY - The relationship between TasPorts board and management and the airport's board and management, what is the crossover? How does that work?

Mr DONALD - It's exactly the same. Devonport Airport is essentially a business unit, not all that dissimilar to our towage business or our marine pilotage business, and the reporting lines come up through to me and reporting in through to the TasPorts board.

Mr GAFFNEY - And strategic - the future of the Devonport Airport with runway length capacity, that sort of thing, is that also part of the 2018 15-year plan?

Mr DONALD - No, it's not. The airport master plan is a little bit more recent than that. I think we released it - it might have been 12 months ago. It is a 15-year master plan. We are fortunate at Devonport Airport to have space for a runway extension if that was to ever be required, and also the strip of land could support code F aircraft at a point in the future. I'm not so sure that that's in the short or medium term. Code F aircraft are 747s or A380s. I'm not so sure that they will be required on the north coast, north-west coast in the short term, but we do understand our infrastructure. Our team at Devonport Airport is a brilliant team and very highly skilled and passionate. The pride that that I see in the team when you're walking around that facility is immense.

Mr GAFFNEY - I can confirm that. That's great.

Mr DONALD - We have a really focused team on customers and security in particular, and regional airports have been through a challenging period nationally. I would expect that that will continue. In fact, I would say that regional airports will continue to be challenged by the regulators around security and increasing security. We've been very active at reviewing our security management at Devonport Airport to make sure that we continue to achieve the highest possible security standards.

Mr GAFFNEY - Okay. So there's no imminent issue regarding the Devonport Airport. It's running smoothly. There's no concerns there. Through you, minister, sorry.

Mr DONALD - It's performing really, really - sorry, minister - performing exceptionally well. In fact, a number of months ago we announced our aeronautical services agreement with Qantas for the next three years, which is a great achievement. Being connected into the aviation

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sector as well, I'm acutely aware that a number of airports around the country struggle to reach agreement with their airlines. We were able to do so very promptly, and we are now spending time with our airline customers working through how we can work together to grow the passenger numbers both inbound and outbound.

Mr GAFFNEY - Thank you.

Mr McCANN - If I could add to that: we're not a single-port authority. We have 11 ports, an airport, a shipping line. At a governance level, we have broad experience across the new directors. I'm absolutely thrilled as a chair to have the calibre of directors working alongside me. Their experience is very deep experience in risk management, in property, in infrastructure, sustainability, port management, and Treasury. It is a first-class board and from a governance point of view, I feel very confident that we can deliver a strong guidance to management and a whole range of different operations of TasPorts.

CHAIR - Thank you very much. I have one quick question - and if the other members have any burning ones before we finish. You may not be able to answer this and take it on notice. Appreciating you might not be able to answer questions about the Goliath incident, are you able to advise how much TasPorts has spent on litigation to date? I'm happy to take it on notice.

Mr DONALD - I might have to take that on notice.

CHAIR - Do members have any burning questions before we -

Mr GAFFNEY - Yes, that was one of mine.

CHAIR - That was one of yours. I'm sorry.

Mr HISCUIT - In regards to the *Right to Information Act 2009* and the comment that you made that there were seven formal applications for assessed disclosure received. I wanted to know how many of those were actioned in that year and what the average timeline was for?

Ms WEBB - Were they actually compliant with the legislation?

Mr DONALD - All were responded to in time.

Ms WEBB - Then in terms of - were they provided in full or -?

Mr DONALD - I would say that probably some were, some weren't. We could provide a breakdown if you like - without disclosing details.

Ms WEBB - That'd be great. What was released - obviously not the specifics, but the data on released in full, partially released, how many were - like percentage of internal reviews and any external proportion of external reviews?

Mr DONALD - Sure.

Ms WEBB - Thank you.

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Mr HISCUIT - Interesting information to have. Thank you.

CHAIR - Thank you. Mr Gaffney -

Mr GAFFNEY - One last question. It's been pointed out to me that there seems to be limited public reporting on the condition, capacity and performance of major infrastructure assets - public reporting. That's been a concern raised with me. Would you like to make a comment on that? Is that concern valid, or if somebody from - they've raised it, have asked -

Mr DONALD - Within TasPorts or within -

Mr GAFFNEY - Yes.

Mr DONALD - Certainly the work that we've been doing heading towards ISO certification means that we've got a lot of confidence in our data and we will continue to be transparent about that. Certainly, from a financial perspective, I think the short-, medium- and long-term strategic objective of the business will be informed very much through asset conditions. Whether or not we end up with a couple of simple metrics that we disclose in our annual report to provide an average condition rating, we might look at something like that so that we can continue to satisfy transparency.

Mr GAFFNEY - Yes, I think the concern was legitimate. That would be something well worth looking at.

Mr DONALD - Certainly there's no hiding behind the fact that some of it - we have the oldest port infrastructure in the country. That is without a doubt. I sit on the Ports Australia board and I get to share some of those insights with some of my colleagues on the board, and they are far newer than we are, with higher utilisation of assets. They don't have the vertical integration that I enjoy, either.

Mr GAFFNEY - My last question has to do with, if there's a dispute in what you're charging, what's the pathway if you have an organisation that wants to dispute the costs or the charges? How do you work that within your organisation?

Mr DONALD - I would have thought that that would start with our commercial and trade team. Certainly, when or if there's any negative response I am updated on that immediately. I'm not aware of anyone who's disputed charges.

Mr GAFFNEY - Okay. Thank you.

CHAIR - Thank you very much. No more burning questions with a few minutes to go. We really appreciate you coming in today. Thank you very much for your time. Have a nice rest of the day. If we could stop the broadcast, please.

The committee suspended from 10.54 a.m. to 11.15 a.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

The Public Trustee

Tuesday 25 November 2025

MEMBERS

Hon Rosemary Armitage MLC (Chair);

Hon Meg Webb MLC (Deputy Chair);

Hon Luke Edmunds MLC;

Hon Mike Gaffney MLC; and

Hon Casey Hiscutt MLC

WITNESSES IN ATTENDANCE

Hon. Eric Abetz MLC, Acting Attorney-General

Ministerial Office

Matt Hochman

Chief of Staff

Megan Hickey

Senior Adviser

Public Trustee

Therese Taylor

Chair

Todd Kennedy

CEO

Fiona McDougall

Director, People and Culture

Laurence Paine

Director, IT

Fiona Sullivan

Director, Client Services

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Public Trustee

The committee met at 11.15 a.m.

CHAIR (Ms Armitage) - Welcome everyone and thank you very much for appearing before the Legislative Council Scrutiny Committee on the Public Trustee. I will introduce the members of our team. We have Luke Edmunds, member for Pembroke; in a moment, I'm sure, Mike Gaffney, member for Mersey will be here; Rosemary Armitage, member for Launceston; Casey Hiscutt, member for Montgomery; and Meg Webb, member for Nelson. We also have secretariat support with James and Julie and we have Terry from Hansard. That is our team at the table.

Acting Attorney-General, I invite you to introduce your team and if either you or the chair would like to make a short opening statement before we ask questions.

Mr ABETZ - Thank you, Chair. I'm here in my capacity as acting Attorney-General. The Attorney-General, Guy Barnett sends his apology. He doubles as minister for Trade and he's currently pursuing trade opportunities for our state.

On my left is the Chair of the Public Trustee board, Therese Taylor. On my right is the CEO of the Public Trustee, Todd Kennedy.

What I can say, by way of an opening statement is that, in a previous life, when I was in public office, I had occasion, many a time, to have interactions with the Public Trustee, Guardianship board, et cetera. Since being in state politics, however, I have not received one call about it. I think that is indicative of the changes that have occurred in recent times under the guidance and leadership of both the chair and the CEO, and the cultural change that has permeated throughout the whole team. Their annual report speaks for itself, but we will open for questions - other than to congratulate the two representatives of the Public Trustee at the table for the wonderful work they have done and their team members.

CHAIR - Thank you very much. I might open the questioning. The annual report links workplace cultural reforms to an increase in staff satisfaction and retention, as well as a reduction in complaints received from clients. Can you go into a little more detail about what these cultural reforms entailed? Is the 91 per cent overall satisfaction rate from staff consistent with what you were expecting? Is this better or worse than previous years? Through you, acting Attorney-General.

Mr ABETZ - I don't think that could have expected much better. Todd?

CHAIR - And what the reforms entailed, thank you.

Mr KENNEDY - To answer the latter part of your question, we were really pleased with the result: 91 per cent exceeded what we thought the result might be. What's also pleasing is over 90 per cent of staff are proud to tell others that they work at the Public Trustee and recommend it as a place to work. There's been a significant amount of work over the three to four years from a cultural point of view. Ranging from, I guess, opening ourselves up and listening to our staff. The starting point was really to put in place a new client-centric approach in everything that we do. What we also recognise is how central your people are and having an

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engaged workforce is because at the end of the day, they're the ones talking with our clients on a day-to-day basis.

Resourcing was one of the key things when it comes to supporting our people. Very early, and with the support of the Tasmanian government, we were able to bring caseloads down from as high as 150 to 50 per client account manager. That helped us prepare for the changes to the Guardianship and Administration legislation but, most importantly, gave our people the time to actually get to know the clients they're working with and build positive relationships and trust.

The other aspect that we've heavily invested in is training and development. Not just on formal policies and procedures, but also around skills to better support the people that we work with: techniques for de-escalating situations; and how to have a trauma-informed approach when working with people. We also have career paths in place, ranging from team leader roles up to senior positions within the organisation. We also recognise the nature of the work that our staff do and the impact that that can have on them from a psychosocial point of view, so we've introduced things such as professional supervision and employee assistance on site, which is there to really support our people on a day-to-day basis, and more importantly, build their capability and resilience over time.

CHAIR - Thank you very much. Mr Hiscutt.

Mr HISCUTT - Sure, happy to lead on from there. Continuing the theme of those numbers in the surveys, which are incredible to say the least: I wondered if there was a statement, and I couldn't see it anywhere, of what the actual total number of survey - it's obviously given in percentage terms - what was the total number of surveys received?

Mr KENNEDY - Yes, I can talk to that. We conduct annually an independent survey through Myriad Research and they conduct - we open up our entire client base to those reviews. They're done over the phone, or if a client requests a different approach that suits them, that can occur as well. The sample size was approximately 171, which means that the results were to a 95 per cent statistical confidence when it comes to the results and the feedback. It's a really good way - an arbitrary way to get the voice of our clients to inform us on what we're doing well as well as what we need to do better.

Mr HISCUTT - That's really good to know. I assumed, but had to ask that question to make sure it wasn't just a small sample size providing that, and that's good clarity in that.

With the complaints, obviously a 90 per cent reduction, also good: has there been any change in how complaints are processed or recorded that could account for any of that, or is it just there's no change in process there at all that may explain some of the drop in numbers? If you could talk to that.

Mr KENNEDY - No, there has been a significant amount of work that was done back in 2022. We had Deloitte come in and review our complaints process, and out of that we developed new policies, procedures and guidelines, and did training for our staff. There are really three key elements. The first one is that in as many cases as we can, that first-point resolution. Outside of that as well, and this is in line with one of the recommendations from the disability royal commission, we aligned our complaints process with international standards and we've also made that available on our website as well. A lot of work has gone into that, but

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I think what's really helped bring the number of complaints down has been our change in approach, aligning it with the new legislation, which is more of a will and preference and supported decision-making approach, as opposed to the previous paternalistic, substitute decision-making approach.

Mr HISCUIT - Beautiful. Thank you. I'm happy to move to others, or I can keep -

CHAIR - Mr Gaffney.

Mr GAFFNEY - I'm wondering which of the OTTER recommendations remain incomplete, and do you have a timeline for those recommendations to be tackled?

Mr KENNEDY - Since the OTTER report was handed down 18 months ago, we've done a considerable amount of work. As I sit here today, we've now completed 15 of the 18. One of the initiatives that we're focusing on over the next 12 to 18 months is updating our legacy IT systems. The final three recommendations are dependent on having that new system in place, which we will be very close to doing this time next year. The first item that's outstanding relates to improving the statements that we provide for our clients, making them easier to understand, and more transparent when it comes to fees; we do require a system change for that.

The other two really come back to having a new corporate accounting system so that we can better allocate our cost to serve. From a timeframe point of view, this time next year we will have a new system and then we will look to finalise those in the six months following it.

Mr GAFFNEY - Thank you. What does the Public Trustee say is its statutory basis for its ability to charge legal service fees?

Mr KENNEDY - When it comes to our fees, they're set in the regulations. When it comes to our legal fees, we follow an hourly rate and the maximum set by the Supreme Court. We just follow that.

Mr GAFFNEY - Okay.

Mr KENNEDY - They're the two acts that determine the fees that we charge - the maximums, I should say.

Mr GAFFNEY - Right, and these are specific questions, so I will continue. The Public Trustee is exempted from complying with the *Legal Profession Act 2007* via the carve-out in section 13(2)(l), which effectively allows staff at the Public Trustee to prepare a will or carrying out any other activities involving the administration of trusts, the estates of living or deceased persons; or the affairs of living persons without needing to hold an Australian Legal Practising Certificate.

Can the Public Trustee please, (a) list all legal services provided to the public, e.g. will preparation, preparation of enduring power of attorneys, discretionary trust amendments, estate administration, including the number of staff performing those services; and -

Ms WEBB - Maybe just get them to do that bit first?

Mr GAFFNEY - Yes, do you want to do that one, and then I will come to (b).

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Mr KENNEDY - When it comes to legal services, we prepare wills, and enduring powers of attorney for the public. We currently have a head count of four solicitors who provide that service and an FTE of around 3.5, and they're spread across Tasmania.

When it comes to services like estate administration, we have a bigger team and that's where we act as executor, or we might be finalising an estate when someone's passed away due to intestacy. The team that we have is nine in our estate administration.

Mr GAFFNEY - Okay, and the aspect of trust management involving legal decisions - legal advice to clients?

Mr KENNEDY - We actually outsource the majority of these services. We have an arrangement where we refer to a number of private firms in the south and north-west coast and in Launceston. The nature of the services that we will refer them to might be representing a client in a legal matter; it might be something to do with the *Testator's Family Maintenance Act*; and of course, for any corporate matters, we will refer that to the Office of the Crown and the Solicitor-General.

Conveyancy, as another example, that's outsourced to firms, and we have a couple of conveyancing businesses listed on our website as well. Really, we focus on our core, which is will preparation, managing trusts and estate administration, and we refer out the majority of those services.

Mr GAFFNEY - Okay. So, help me out here, at what stage do you think, 'Oh my gosh, we've been spending x amount of dollars outsourcing this, are we better off to have somebody within the team to be able to provide that service?' How is that calibrated, I suppose?

Mr KENNEDY - It'd probably be two years ago now, we had a look at our organisational structure and there's other things that we needed to consider as well around internal conflicts of interest that arise when you're perhaps wearing the hat of the Public Trustee but also representing clients. Then it comes down to how many solicitors do you need to have internally in your workforce for the volume of work. We made a decision to restructure at that point in time, and we see ourselves as a key partner in the Tasmanian community. We don't need to be the provider of all those solutions when the private sector can do that, so that's when we made that change.

Ms WEBB - Can I have a follow up on one of the answers from just before? You described the different areas you have people providing some form of legal services and mentioned the number of staff you have in those areas. Across the staff across those areas, what proportion of them, or how many of them have a Legal Practising Certificate? Or if they don't have one, what other specific qualifications are they required to have to do those legal-type services?

Mr KENNEDY - The solicitors that we have - at the moment we have four, we just have someone acting in a position, but the remaining three have their Practising Certificates and that's been the practice in the past. At the moment, we're just in an early recruitment transition, but that will be the practice as well for that person.

Ms WEBB - Then those other areas where you mentioned other numbers of staff undertaking roles where we could define it as legal services of some sort?

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Mr KENNEDY - There's no requirement for those staff who are administering and finalising the estate when they're acting as an executor. There's no requirement and none -

Ms WEBB - Are there other sorts of qualifications you require them to have in those areas?

Mr KENNEDY - Well, experience in estate administration is the number one criteria that we have, and we do have a number of experienced staff around the state. As far as recruitment goes, people don't have to have a Practising Certificate, but a legal background and a formal qualification by way of a degree is also desirable.

Ms WEBB - Then do you provide training internally to those people - if you recruit someone who doesn't already have the experience, do you then provide internal training to them?

Mr KENNEDY - Yes, we do. We have internal training and then we also tap into the external CPD training that's available outside the organisation.

Mr ABETZ - Can I just add, legal practices generally have conveyancing clerks and what are called paralegals assisting lawyers. I think with the Public Trustee people can have confidence they get the same sort of quality of service.

Ms WEBB - Thank you.

CHAIR - Thank you. If I could just ask you, the OTTER report identified significant data integrity concerns within the Public Trustee's client management system (CMS), including that the Public Trustee was not utilising the CMS timesheets or other methods to track time and effort spent against each of its services. How does the Public Trustee currently track and record time and effort spent on services, including legal services, to ensure accurate cost attribution to individual files and discrete service areas?

Mr KENNEDY - Thanks for the question. This is one of the remaining recommendations from -

CHAIR - Oh, it is one that's still going.

Mr KENNEDY - It is, and at the moment we operate on MYOB - just to give you some colour around the legacy systems - which makes it very difficult to actually do those calculations to a proper standard. As I said before, we've identified solutions that are available in the marketplace. we have a strategy in place to upgrade those systems over the next 12 months, which will enable us to do that. We do have existing tools within our CMS that tracks, for example, complexity when it comes to cases that we manage for represented persons, but it's insufficient for the needs of the organisation, which is why we're upgrading our systems.

CHAIR - So within the next 12 months this will be pretty much almost in place?

Mr KENNEDY - The timeframe for having new systems in place - noting that we're yet to go out to the market - is by the end of 2026. Then it's the period after that, once we have a new system, we will know how quickly we will be able to start to then gather data regarding that information.

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CHAIR - Thank you. One more question: are the legal files now segregated from the trustee files?

Mr KENNEDY - No, no longer are they segregated from the rest of the organisation. That was one of the recommendations from the independent review that was completed probably three years ago.

CHAIR - That's put in place. Thank you. Mr Gaffney.

Mr GAFFNEY - What quality assurance mechanisms and processes are in place for the supervision of the provision of legal services and reviews of associated costs?

Mr KENNEDY - In relation to the supervision, we have a senior person who has quite a bit of experience and has been at the Public Trustee. They're responsible for oversight and coaching. The recent example of a new person that's come into that role, there's that one-to-one coaching for, I think, it was the first maybe 12 appointments that they had supervision then for that person to start doing wills on their own, and there's that peer review of the work that's undertaken.

When it comes down to, I guess, allocating or calculating the cost that's involved, we don't have adequate systems in place, but when it comes to the wills that we're delivering, they're already at a very subsidised rate when you look at the cost to the public.

Mr GAFFNEY - Thank you. Has the Public Trustee now implemented separate legal file handling systems to ensure legal services are professionally and ethically managed?

Mr KENNEDY - That's the piece of work I was trying to explain before. Yes, that's now no longer segregated and it's recorded along with all our other client records on a central management system. There's no longer that isolation that was once there. There's full transparency and visibility across the business.

Mr GAFFNEY - Only two more questions. What are the Public Trustee's continuing professional development policies for employees providing legal services at the Public Trustee?

Mr KENNEDY - We have our internal training and continuing professional development program for our solicitors. In addition to that, we tap into external CPD. A recent example was the Wills and Estates Conference that was held in Hobart that all our people attended. It's a combination of internal and external CPD.

Mr GAFFNEY - Okay. The last question is how many complaints were received in the last reporting period?

Mr KENNEDY - In the last reporting period, the number of complaints pleasingly reduced considerably. It was a 90 per cent reduction in complaints over that period of time, which has been a theme now for three years. The actual number of complaints -

Ms TAYLOR - It was 10.

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Mr KENNEDY - Thank you, it was 10 complaints received and one substantiated. That's a significant reduction from 2022-23 where there were 49 complaints received and 20 substantiated. As far as how many of those were attributable to the legal services, I don't believe there are any, but I'd be happy to take that on notice.

Mr GAFFNEY - How were they resolved? I mean, you don't have to give me case by case, but how were they resolved, those?

Mr KENNEDY - The majority of complaints are resolved at first-point resolution. We also have a 10-day time period that we've set ourselves to respond to complaints or, in the event that it's going to take longer, communicate that to the person who's made the complaint. All the complaints for the last financial year were resolved within that period of time.

Mr GAFFNEY - Is there an appeals process in your complaint -

Mr KENNEDY - There is. So internally, if clients - they will initially go to - I guess we have an open door, no-wrong-door policy on how complaints come in, but if you're unhappy, it can then be reviewed by a senior person in the organisation. If you still feel like your complaint has not been resolved to your satisfaction, then the next stage is to refer that to the ombudsman.

Mr GAFFNEY - Thank you very much. Thank you, Chair.

CHAIR - Mr Hiscutt.

Mr HISCUTT - Yes, happy to move on. In relation to the small operating profit, which is pleasing, but the reasons given for that were the increased community service obligation funding. As I understand it - and this is probably potentially through the minister - that is a government injection which is scheduled to potentially no longer continue. What are the organisation's plans to address that potential shortfall that may be coming? What is the plan for that?

Mr KENNEDY - We have a community service obligation agreement with the government; that has been long standing and it's reviewed every period and then renewed. So there's no - it's not a short-term injection of funds. It's an agreement that's there to provide services to the community, where otherwise those services perhaps wouldn't be met by the private sector. The work that we do under guardianship administration is a really important example, which makes up 70 per cent of the work that we do when it comes to community service obligations. We currently have a fully-funded CSO agreement which is two years, which has enabled us to make the changes that I spoke about before. That's due, as per the normal process, to be reviewed, considered and then rolled over for a further period.

CHAIR - Mr Edmunds.

Mr EDMUNDS - I was going to ask, with the commentary about wills, what proactive steps you make to - the data is not great around how many people have wills from your report, what sort of front-foot measures you do, or what role you see for potentially others, or if you could talk through that, around building awareness and what measures you take.

Mr KENNEDY - In the broader community?

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Mr EDMUNDS - Yes.

Mr KENNEDY - That's a big part of a lot of the work we continue to do over the last three years. We do that work in conjunction with partners such as the Office of the Public Guardian, and Palliative Care Tasmania. Also the key things that we focus on are not just the importance of having a will. We do highlight what happens when someone passes away intestate, but we also talk about things such as having enduring power of attorney, enduring guardian and also advance care directives.

We take that team approach to raising awareness, and there are great opportunities throughout the year in, say, Law Week and Seniors Week where, along with the private sector and the broader community, we're out there doing public information sessions. We also have webinars on our website, noting that not everyone can attend, and we've got plans as well to expand the current work that we do, to try to access more of the areas around the state, such as the west coast or these other areas, the east coast, for example, St Helens, where we currently do not physically have an office presence.

Mr EDMUNDS - Do you have any kind of breakdown of the ages that people are dying without wills? One of the things - and I'm not saying anecdotally, but obviously younger people are less likely to have as many possessions and property these days as perhaps they would have 40 years ago. Are you finding that it's younger people, older people or is it pretty consistent? Are there any trends?

Mr KENNEDY - As far as the people coming in to have a will done?

Mr EDMUNDS - Yes, or who end up with you because they don't have a will.

Mr KENNEDY - Obviously, because of the ageing population, the largest cohort of people that pass away, it's age-related. The point that I think is really relevant to your comment is that everyone over the age of the 18 needs a will. People often think that you need to have sizeable assets, but if you think of any young person who might be renting, you need someone with probate to then - what about getting your bond back, what would you like happen to your pets, for example; what about your social media accounts? There are so many things that need to be taken care of, so everyone over the age of 18 needs a will.

Mr EDMUNDS - Thank you.

Ms TAYLOR - If I could add to that: the board is very conscious of the fact that - that alarming statistic in Tasmania of 50 per cent of adults passing away without a will, and with our strategy sessions we're starting to put in place now strategies to bring that number down significantly and information sessions and making it easy to get a will is great, but we want to - we're looking at can it be a systemic solution to something like this. Is there a doorway you walk through when you become an adult? Is it education? Is it a whole range of things like that where you get a will kit? Those are the sorts of things that we will start to put some flesh on those bones next year.

CHAIR - A follow-up about wills. One of the things I hear in the community about the Public Trustee is that it costs a lot more; not so much upfront cost, but they take a lot more out of your estate. Can you explain if that the case? It seems to be a fear that you hear in the community. They say, 'Oh, it's going to cost me a lot of money to go on to a lawyer', so they

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don't necessarily have a will. You mention the Public Trustee and they say, 'Oh, no, they take such a large amount out of the estate'. What is the cost, or is it a higher percentage now? Has that dropped? Is it still fairly substantial? It is of concern to people.

I believe one of the reasons they probably don't get wills is they see a lawyer as too expensive, and they're concerned about what they will lose for their families with the Public Trustee. Through you, acting Attorney-General.

Mr KENNEDY - I've certainly heard that in my time at the Public Trustee and my previous employment as well. There is a misconception around fees. I hear things as high as 10 per cent, which is not correct. It's a tiered system that starts at 4.4 per cent for the first, say, \$200,000 then reduces. It really depends on the person's situation. The good thing about having a percentage model is you know what you're going to pay, because you can estimate what the size of your estate will be. For a lot of estates, it might not work out sufficient to cover the cost of being executor. Then there's also a size where it does cover the cost, but it does mean that from time to time, because it's a percentage, the actual cost involved might not match the work or the output.

We've had in place, for a period of time, where staff can actually reduce the fees that people pay for estates. One of the recommendations from the OTTER Report was to formalise that process and put that on the website so that the public knows. We did a policy and procedure and guideline in the last financial year and we launched it on 1 July. I know that we've already had three cases where beneficiaries have appealed on certain grounds to have their fees waived or reduced. Those three cases were all approved. On average, it was around \$6000 to \$7000 per person. So there's a framework in place if the fees don't match the effort. The longer-term view of the organisation is that we really want to simplify our fees, make it easier for people to understand and give everyone confidence that the fees are fair and appropriate and reasonable.

CHAIR - I believe you would get a lot more people coming in if they didn't have that perception.

Mr ABETZ - You guys also allow now for others to be the executor, so -

Mr KENNEDY - Yes, thank you, Treasurer, that's a really important point. One of the other misconceptions in the community is that when you come to the Public Trustee to have your will prepared, you must make the Public Trustee the executor, which is not the case, and it hasn't been the case for 10 years. You can choose whoever you would like to be the executor. So that's an important barrier to remove. Our annual report shows that last year of the wills that we did, in 75 per cent of cases, people chose a private executor. The most important thing is to get the documents in place.

CHAIR - So you just performed the legal aspect and have a separate executor in some cases?

Mr KENNEDY - That's right.

Ms TAYLOR - If the person chooses.

CHAIR - If the person chooses.

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Mr ABETZ - And if they wanted to, they could go to their private lawyer as well.

Mr KENNEDY - They can. Often, if they go to their private lawyer - this is something that is not understood - sometimes the private lawyer and the person will actually have the Public Trustee appointed as their executor. It's not always people who come to see us who are appointing us. They might go to their solicitor and not have a family person willing to take on the role, or they might want someone independent and an organisation like ours.

CHAIR - To follow up with that, for you, acting Attorney-General, how would that work then, if they go to their private lawyer for their will and appoint the Public Trustee - I'm thinking charge-wise. Normally, if you're performing as the legal agent or the lawyer, you're taking a percentage starting at your 4.4 per cent and working down as it's worth more. If you're just performing the executor role, how do you work out the percentage of your charging? Obviously, you're not going to charge the same if you're not doing the legal work, you're doing something different - or is it still 4.4 per cent?

Mr KENNEDY - In that particular case, whether the Public Trustee writes the will or whether a private solicitor writes the will, if they have nominated as their executor the Public Trustee, at that future point in time that they pass away and the time comes to take on the role of the executor, our standard fees and charges apply, which is published on our website.

CHAIR - So, you can do the lot?

Mr KENNEDY - We do, yes.

Mr HISCUTT - I had a follow-up regarding your outreach and education pieces. It's in the community education on page 16, and you mentioned in future you're looking to broaden out to more areas. In particular, I was going to talk about the north-west coast to see if you had done any - it seems as though you haven't done anything there yet, but planning to - that's a commitment we can confirm?

Mr KENNEDY - Each year we do four information sessions on the north-west coast: two in Burnie and two in Devonport. What I was referring to before is obviously the north-west coast is a far bigger area than there, and we used to have a presence in Burnie. We want to actually go out to broader areas and provide not just information services, but access to make it easier for people if they would like to write a will. We need to plan for that, get our resourcing in place, but that's certainly part of our strategic plan.

Mr HISCUTT - How do you advertise and promote those information sessions that you're talking about? Is that through traditional social media and bits and pieces like that?

Mr KENNEDY - Yes, social media. We might sometimes do something on radio as well or in *The Advocate* on the north-west coast. We have things available on our website and also reach out to our stakeholder reference group to spread the word, and publications as well, so Seniors Week, for example. Council on the Ageing does a really good publication, so it will be in there as far as a list of events.

Mr HISCUTT - Do you collect numbers for those attendances at those sessions?

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Mr KENNEDY - Yes, we have. This year was excellent numbers. In the last couple of years we had seen a decline, particularly in Burnie, but we took a different approach this year to your point - more targeted advertising on Facebook. All of a sudden we had that increase in number. That really gave us the confidence that the need is there. We just needed to be a bit more contemporary with the way we're getting the message out there.

Mr HISCUIT - That's good to know. Thank you.

Mr GAFFNEY - My question is about staffing numbers and movement, acknowledging you do outsource some of your work, which is fine. What are your FTEs for this year in comparison to last year?

Mr KENNEDY - Our head count this year was 85, FTE was 77. If I go back two financial years, the FTE was sitting around 58. Those additional resources have really gone into the frontline, bringing caseloads down for our client account managers in the work we do supporting represented persons.

Mr GAFFNEY - Okay, and gender balance?

Mr KENNEDY - Eighty-one per cent of our staff are female, and we have similar representation - sorry, not similar, but we have more of a fifty-fifty representation when it comes to our senior leadership group. The board is, I think, two females and three males at this point. If you go down another layer to team leaders, then predominantly female.

Mr GAFFNEY - Okay. Are there any vacancies at the moment?

Mr KENNEDY - No vacancies from a team leader perspective. We have a couple of roles that we're advertising for at the moment - the manager of our investments and tax - and we have some roles, I think, on a 12-month contract for client account managers.

Mr GAFFNEY - If you do advertise for a position, do many people apply? Is it like hen's teeth or do you get quite a number? Are they mainly local or from the mainland as well?

Mr KENNEDY - Both. We have a mixture of people looking to locate Tasmania or return home, as well as local people applying.

I'd say we always get good quantity. What varies from time to time or period to period is the depth and the quality of the applicants. We've recruited some amazing people over the last three years. We've been very fortunate in that regard.

Mr GAFFNEY - And professional development for the people in the house. How do you work that?

Mr KENNEDY - We have an extensive induction program. We continue to get positive feedback in relation to that. It involves initial training workshops, but then one-on-one support. Once that person's actually in their role, they have a team leader who has a small team that they're responsible for as well.

Outside of that, we have formal training. I talked about some of the topics that we have before. It's quite extensive; very broad - which we've listed in our annual report. We also

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acknowledge the importance of supporting our staff from a health and wellbeing and psychosocial perspective as well.

Mr GAFFNEY - Numbers of staff who work from home - what's the ratio there?

Mr KENNEDY - We don't have a large number who work from home, but we do have, I think it's 33 flexible workplace arrangements in place now, which is a significant improvement from maybe - sorry, it's 33 per cent. I'll check that figure.

Ms WEBB - It's 31, I think.

Mr KENNEDY - Oh, thanks, Meg.

Ms WEBB - I had a question lined up ready on that.

Mr KENNEDY - That relates more to, I guess, compressed hours; looking at a four-day week or a nine-day fortnight; starting or finishing early, so you can pick up your kids from school. Working from home, we do have a small number of staff, but they tend to be in non-client-facing roles because, whilst we recognise that change is happening around us in organisations, from a client-centric point of view, we want to be accessible for our clients. It's really important that when our doors are open, if a client presents, they can actually talk to their client account manager.

Ms TAYLOR - Can I add to that question, Mike? In terms of the confidence in recruiting the skill sets that we require. As you can see from this year's survey, 91 per cent of the staff had overall staff satisfaction working at Public Trustee. The other statistics that, I think, are now very heartening for the board are that 95 per cent agree that they're proud to tell others they work at the Public Trustee and also 92 per cent would recommend the Public Trustee to their friends and family as a place to work. Those sorts of indicators are extremely helpful in a tight employment market to attract the right sorts of skills.

Mr GAFFNEY - That's very impressive. I'm also wondering, what sort of presence do you have at something like UTAS or our year 11 and 12s, to get the word out about the Public Trustee and what it does and the role it plays? It's getting better known than it was, but do you have a presence with those?

Mr KENNEDY - I think that's an area we could certainly improve in. We've had a big focus the last three or four years on implementing reforms, but with where our culture is at now and those results that our chair spoke to, it's a really good time to get that message out there. We can do a lot more in the space as far as tapping into, say, UTAS as far as graduates and people looking for that first step.

Mr GAFFNEY - Yes, that would be wise, even if it's just public speaking to their students there from what the Public Trustee does, so that people are more aware. Thank you. That's all my questions now

Ms TAYLOR - If I could add to that as well. In terms of the organisational restructure that's occurred over the last three years - and we're now starting to see, as you can see, some of the results from that - in terms of communicating what the Public Trustee does to the market

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and more broadly to the community, I think it's good timing now because we have a positive story to tell.

Mr GAFFNEY - Yes, definitely. Thank you.

Ms ARMITAGE - Ms Webb.

Ms WEBB - Thank you. That covered a couple of the things I wanted to touch on. To follow up, you mentioned about expanding the leadership group in order to increase representation and inclusion, which sounds really positive. Can you describe what you mean by that? Did you create new roles or bring new people into that group in the current roles they had?

Mr KENNEDY - Both. We have our senior leadership group, but it was really important to get improved communication and, as you said before, get a broader voice and diversity coming through. There's an additional 15 staff who are part of the broader leadership group, ranging from team leaders or even just keep people in the organisation who have influence over the culture. We have a monthly meeting where that group gets together.

Outside of that, we introduced team leaders for our client account managers who support people through guardianship administration. Before, we had a really flat structure where there were all these client account managers and one manager; the manager was just really doing operational matters. The team leader is there to help coach, observe, they're there for calls and to help people to make sure that they get the support when they need it.

We've also invested in training and development when it comes to leadership skills. We recognise that three years ago with all the new staff that we brought in we had to build capability and also invest in their growth.

Ms WEBB - Thank you. The other thing I wanted to follow up on was mentioned earlier that you introduced professional supervision as part of the support to staff, which of course is distinct from line management. Is the professional supervision something that you get in from an external provider rather than provide in-house?

Mr KENNEDY - Yes, it is. We engaged Positive Solutions, the Tasmanian organisation, to deliver professional supervision, often called clinical supervision as well. They are also the same provider that does our employee assistance program on-site. We've had that in place now for two years. We make that available for all employees. It is optional, though, and that was at the suggestion of the provider given the nature of the work that staff do. Last year we had around 24 staff participating in professional supervision. At the moment that's sitting around 17. Again, some staff have a break for a while and then they come back to it, but it's available for everyone.

Ms WEBB - Is the frequency of that professional supervision defined, or do they individually decide what frequency they might engage with?

Mr KENNEDY - I believe that that's something that they agree on between the support person and themselves, but monthly is probably the standard as far as the frequency of when people meet. I do believe it's set between the organisation and the person. We provide support for that to happen obviously during work time and on the work premises.

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Ms WEBB - It's great that you provide that. I wish we had professional supervision in the political space, quite frankly. Having it dropped back to 17 staff members, that's less than a quarter, I think, of your workforce. Is it something you've got an aspiration to try to embed more firmly across your staff team so that it's utilised at a higher rate than that?

Mr KENNEDY - I think so. It's such a valuable resource for people to tap into. It was a new service that was introduced. A lot of people, including me, weren't familiar with professional supervision prior to coming into this role. It is something we'd like to build because I think it's important regarding resilience, longevity in the workplace. Some of the reduction in numbers though has occurred through staff who have actually moved on to different roles within government or outside of the Public Trustee. Yes, we would like to see that number improve.

Ms WEBB - Thank you.

Mr HISCUTT - Thank you, a follow-up. I was going to ask about consultancies, as well, and noticed Positive Solutions there for their EAP service not noted there for the professional. Is that just that the contract was less than the reportable amount, or would that be somewhere else?

Ms TAYLOR - Yes.

Mr HISCUTT - Yes, thank you.

Mr HISCUTT - I presume that the consultancies are done through some form of tender process to evaluate value for money?

Mr KENNEDY - Not automatically. For example, with our EAP provider, we look at the panel. The government has done a lot of that work for us, our staff at the Public Trustee, our state servants, so we can tap into the work that's been done. We actually changed our EAP provider to a Tasmanian provider and we're able to rely on that reset that was done.

Mr HISCUTT - Thank you for that. I have other questions, but -

CHAIR - That's probably along the same lines as we've been going at the moment. On page 25 of the annual report it states:

The people and culture team redesigned the performance development planning process to focus not just on measurable outcomes, but also to incorporate commitment behaviours that reflect the organisation's values.

Can you provide more information about the commitment behaviours? Are employees required to sign or make pledges in this regard? I will go that one first.

Mr KENNEDY - Yes. We have a process whereby we will set objectives at the start of the year and meet with our people. That will have a range of key performance indicators which are not just about financial or - it could be about how they go about performing their role or certain projects they're involved with. It's about, as well, how they display the values of the organisation.

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We also have a section around professional development, career aspirations for that person. Then, on a six-monthly basis, that's formally reviewed. Across the organisation we have a culture of monthly one-on-ones with staff and that's an opportunity to continually refer back to what's been agreed to as opposed to a set-and-forget approach.

CHAIR - What input did the employees have when the commitment behaviours were determined? They actually had input when it was being determined?

Mr KENNEDY - The values of the organisation - service, respect, integrity - haven't changed. The feedback - we also conduct staff surveys on a regular basis and outside of the annual staff engagement survey, we've had the whole-of-State-Service survey, which is quite extensive. We've done pulse checks. We're continually seeking feedback from our staff about their views, what they would like to see change. They're engaged from a point of view because it's critical to have their voice. But we haven't changed our values because we feel that they're fit for purpose as far as us as an organisation and the work we do in the Tasmanian community.

CHAIR - Thank you. Last one on that area. What happens if someone's found to have not complied with a commitment behaviour? Is there a disciplinary matter that they're called up before? Do they have a meeting? What would you do? How does that proceed?

Mr KENNEDY - All our employees are part of the State Service. The standard you walk past is the standard that you accept. You always raise it at the time. Then there's the opportunity in those one-on-ones with staff for things that become formal. Then there's a more formal employment directive within the government structure around managing someone's performance. Part of the training that we've done over the year for our people leaders is to also assist them on performance management because whilst it has a negative connotation, it's also about performance improvement.

CHAIR - We've spoken about the employee assistance program. Aside from providing access to the employee assistance program, what other measures are in place to assist with the Public Trustee staff - perhaps mental health and wellbeing? We all know that mental health is such an issue now that's been overlooked in the past. Workers compensation, compensation and other areas - have you had any specific training for staff who might be dealing with things like vicarious trauma, dealing with difficult people? We know that all happens particularly in an emotional setting. The last part on that is, how many, if any, Public Trustee staff are currently receiving workers compensation with regard to mental health, if you're able to - and I accept that if it's a small number, we certainly don't want to identify anyone.

Mr KENNEDY - No. Some of the work health and safety training that we've delivered over the year is de-escalation and managing difficult situations because we've shifted away from the previous days of having a security guard and not welcoming our clients. We acknowledge that if you create the right environment in the first instance, it can prevent a lot of those things occurring.

We've had situational awareness training as well, vicarious trauma training, injury management workshops, mental health first aid, WH&S, responsible officer training. Quite a bit. When it comes to workers compensation claims, it's been very low over the three years. This year we had four claims. Three of those were actually claims that were in place, and two of those are resolved with the staff member returning to the workplace, and the one outstanding one, the person is on a return-to-work program.

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CHAIR - Lovely. Thank you very much, appreciate it.

Mr HISCUTT - Sort of in the same area with the incident reporting, obviously a huge rise, but a good reason why, which we like to see - well, I don't like to see, I understand why it's there. The comments made at the end of that paragraph says the majority of these incidents were minor in nature. What defined majority, in that you have a percentage - is that 80 per cent or is that only - did you have an idea of how many major incidents there were?

Mr KENNEDY - There were only a handful of major incidents and the majority - it'd be over 90 per cent. When we say minor, I don't want to underplay the impact that it can have as a one-off or over time, but generally that might mean something commented in an email from a client to a client account manager, or over the phone. I'd say in the past the culture was that this is part of the role and accepted. What we've really done is try to build a culture around making sure you report all these things, because that's the only way to know what's systemic, what can we do to help our people. I'd say we have a really good reporting culture there now, which wasn't there in the past.

Mr HISCUTT - Builds up the profile - the comment was good. Just to know that majority is only a small number of actual - five to 10.

Moving on, looking at some of the financial targets, capital expenditure had a target of 692 and an actual spend of only 304. I know that's explained, but how is the target set, and will that change in the future?

Mr KENNEDY - As part of our corporate planning process, we will develop a budget for the year and over the forward Estimates. Really, that was a sequencing this year in that we knew that we were going to do some work around modernising our legacy system. That's just pushed into the new financial year more, which is why we've underspent in that area.

Mr HISCUTT - So, expecting next year that that will be on budget hopefully, or the correct amount, if we hope?

Mr KENNEDY - Yes, we're expecting an increase because with our replacement of our legacy systems, there's an estimated cost of doing that, around \$1.5 million, from a capital point of view, which we will be funding off our own balance sheet.

Mr HISCUTT - Also in those indicators, there was a target of 900 wills to be completed, but the actual as only 590. Is that just fewer people coming through the door than hoped, or is there any -

Mr KENNEDY - No, we've set aspirational targets given the gap in the community and we talked about how many people pass away; we try to really put them out there. It's been around the same amount for the last two years, but we're actually booked out until March, so there's a lot of demand and it's still a 28 per cent increase up on the 2022-2023 figures. Part of that is having the right resourcing in place and getting people who are maybe new in the role up to the capability as well, so we expect to improve on those numbers.

Ms WEBB - In terms of the staffing complement you have, who can work in that area, potentially they could deliver 900 wills a year?

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Mr KENNEDY - We've actually reduced our KPI this year to 750 to match the resourcing that we have in place.

Ms WEBB - Okay. So, working at capacity that's an aspirational target that you could meet?

Mr KENNEDY - Yes, and I think the other underlying reason with the 900 is what we're seeing is a lot more complexity from the community and what they're coming to us for - for wills. So that takes longer to actually prepare. Whereas really, the space that we see ourselves in is mums and dads in the community, more of those wills are straightforward in nature, which would enable us to do a higher volume.

CHAIR - If I could ask on the wills, to follow-up before I go back to Ms Webb, because I think she has other questions. You were talking about how everyone over 18 really should have a will, and I noticed the targets and what you're saying about straightforward - but I imagine that young people's wills would be very straightforward. What marketing are you doing to try to pick up that group? Obviously there's a big untapped group out there who should have a will. Do you go to areas like Facebook, Instagram - I'm not sure what all the latest young people things are on the internet - or like UTAS, as I think Mr Gaffney was talking about, interaction with UTAS.

How are you getting out to the over 18-year-olds, a totally untapped market to say, look you need a will? I would have thought that most 18-, 19-, 20-year-olds wouldn't even think about a will unless mum or dad said, how about you do it. Is there something that you're doing or can do to try to get that market for the straightforward, simple will to get the message out there that you should have one?

Mr KENNEDY - We can. It's fair to say that most of the social media that we do and information sessions are targeted at a much older demographic. We've taken the view that we start where the bulk of the population is, where the immediate need is. We have done some awareness for the younger cohort as part of National Wills Week along with the other public trustees. There was a campaign around, in particular, 18-year-olds, which we were able to piggyback off the work that Queensland Public Trustee did, and we picked up some media around that as well and some radio that comes on the back of it. We could do a lot more in that space for a younger cohort. It is probably a generational problem that we could potentially wipe out. If you get to the 18-year-olds, that could be the solution within a generation.

CHAIR - It was just you mentioned that was an area that they don't seem to have wills and I thought, well, maybe it's something that could be looked at, particularly seeing they would be straightforward.

Mr HISCUIT - An education program in schools or something like that.

Mr GAFFNEY - You have a vehicle there too with the legal studies classes throughout year 11 and 12. Tell one group within the school what you're doing or how you're doing it, and it will soon get around to the others.

Mr ABETZ - When you're 18, you're going to live forever,

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Mr GAFFNEY - I know. But you will get some through that legal studies who would take that on board.

Ms WEBB - Thanks, Chair. I wanted to come back to the community service obligations aspects of your funding. I know Mr Hiscutt asked you some questions about that earlier, and it may have been that I was distracted looking at something else and missed you answering this part of it. Forgive me if it's a repeat.

You've got your basic funding amount through community service obligations from the government, and then there was some additional applied from the 2022-23 state Budget for four years to assist with the implementations of the review recommendations. That will presumably finish this financial year that we're currently in.

Looking ahead, it's anticipated that's a fairly - it was an extra \$1 million or thereabouts, which is quite a big proportion against what your core CSO funding from the government is. So, when that drops away, how are you going to be managing that drop-away? What will you have to do? Will you have to make any reductions or reappropriations or rearrangements of services, or what impact is it going to have?

Mr KENNEDY - To answer that directly to the point: the answer is no. There will be no impact on our service or ability to deliver services. This is the last year that we have that grant funding. However, it's almost four years to the day that the independent review was handed down and we're ready to finalise the last recommendation. We're just putting the measures in place at the moment, and looking to launch that on 1 January, which will bring fee relief to 550 of our represented persons of around \$500 a year. It's a great way to finish the Bugg review. It also coincides with when that grant money finishes.

Ms WEBB - So it's all tallied up quite neatly then -

Mr KENNEDY - Yes.

Ms WEBB - in terms of the extra uplift that was provided across those four years, by that extra million or so a year - has been sufficient and appropriate to implementing the recommendations from the review, and it hasn't been something you've utilised in other ways and therefore will feel the loss of going forward?

Mr KENNEDY - No, and the key thing that enables us to continue from this point forward is the fully-funded CSO agreement that we got in the last Budget, and that over the forward Estimates, which as per the Bugg review, has an increase over that period of time. So outside of that as well, you look at the work that we're doing with estate administration, and that grew by over 25 per cent, the revenues for last year. When you look at the ageing population, that's going to continue to grow, which is really important as far as our financial sustainability.

We're confident that with our current plan, with that \$1 million coming off, with a new system coming into play which will have efficiencies, that we will be able to continue to deliver services for all Tasmanians, but most importantly those most vulnerable, with the support that we currently have from the government, with that CSO funding. In our forward planning, it will be tight for that first year, but we will still be in the black. From then on it looks positive.

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Ms WEBB - Is that largely because of what you just mentioned: the fees that come in through estate management help to increase your bucket of funding to utilise across the board?

Mr KENNEDY - Yes, it's a combination of growing revenues in that part of the business; managing the costs efficiently, which is what we're required to do; but also efficiencies that a modern and contemporary IT system delivers for us as well.

Ms WEBB - It makes all the difference. Thank you.

Mr HISCUYT - I had a question about acting positions in your senior management. There are a couple of positions there - manager trustee services and northern manager - that have been in an acting capacity for, it looks like, over two years. If you'd like to comment on that.

Mr KENNEDY - Yes, really pleased. We have our, now, director of client services with us at the back of the room today. She was very patient over that period of time, but both those roles are now permanent and have been done in the last sort of, well, one as recently as last week, the northern manager, and the director of client services during the year. That was really pleasing.

Mr HISCUYT - Yes. Without going into details, are there reasons for that lengthy time period?

Mr KENNEDY - Yes. Within our structure, we were looking at creating an additional SES role and that role took time. There's a process you go through for having those assessed. At the end of that process, though, we changed our position and we felt that the role was best to be focused on client services and across all our leadership team to have parity. So, it wasn't that role that was going to be a SES role, but where we've landed is that all our senior leadership positions are at the same banding for parity.

Mr HISCUYT - Congratulations to those people. Thank you for the answer to that.

CHAIR - I noticed on 1 September 2024, significant changes to the Tasmanian *Guardianship and Administration Act 1995* came into effect. Can you provide an overview of how well the Public Trustee was able to implement the changes mandated by the legislation? I've come across it myself in recent times with constituent issues that sometimes a guardian has difficulty because a client has a different view and this has actually come into play. If you can give me an idea of the overview of how well you could do that and also what challenges you have encountered through the implementation of this legislation.

Mr KENNEDY - This has been a huge piece of work that was done over a couple of years, maybe a little bit longer. It all started with consulting with our clients, our stakeholder reference group, as well as two leading experts in this space: Prof Christine Bigby and Prof Jacinta Douglas from the Living with Disability Research Centre at La Trobe University, who are also involved with the training for our staff.

The key thing that we did as an organisation was, the decision was made to actually bring that change into place and introduce our new supported decision-making framework 12 months prior to the legislation coming into effect to give us time to make that change. That had an

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immediate impact on the client satisfaction survey results. That's why we've had three years of positive results because we've changed the way that we support people.

CHAIR - That's the best interests, and will and preference?

Mr KENNEDY - Yes, that's moving from best interest to a will and preference model. Placing the person at the centre of all decisions and promoting their social and personal wellbeing. It's also about building capacity, which is a key part of what we do. At the same time, we launched a financial independence pathway program and we've offered that to all our clients. I think we have 174 participating in either formal or informal capacity building initiatives. We have been able to manage that change really well. The feedback from our clients has been really positive.

In relation to the challenges, probably, because the act also has a requirement for medical practitioners to meet with clients every occasion, that's presented some challenges as far as delays, pressures on the system, and getting a health practitioner's report done. What that means is, a medical practitioner who's known a client with a disability for 15 years, doesn't feel that they need to meet with that person again to go through that. So there's been some little bumps along the road, respecting the pressures that medical practitioners are in, respecting the role of the tribunal. However, at the Public Trustee, our role, the client account managers, is actually ringing up and getting those health practitioner reports done and following them up. It meant that from a teething point of view there were some tribunal hearings that had to be postponed and it was probably double the amount that they would normally do, but I'm sort of getting into their space at the moment in answering that.

CHAIR - So in instances where maybe a person's will and preference has needed to be overwritten, what guidelines are in place to ensure that this is done in a supportive manner, with that person's wellbeing in mind? Obviously there are going to be occasions that that will needs to be overwritten?

Mr KENNEDY - Last year we had 6400 decisions that we supported our clients with, and there were no substitute decisions that were made in the year. So there wasn't an occasion where we needed to override a person's will and preference. That's how you would expect it to be, because the only reason you can do that is if it's going to result in serious harm, or it's illegal, or it's against a particular matter of the order.

I will say, though, that of the 6400 requests or decisions that we supported people with, there was around 550 that we weren't able to fulfil, but that's more as a result of client not having the funds available to make their request.

CHAIR - I understand that. How are culturally and linguistically diverse people supported through the processes? Are you finding you have enough resourcing and enough access to cultural interpretation services?

Mr KENNEDY - We've done some training for our staff to help build their awareness as well. I know that the tribunal themselves has had an increase in the number of interpreters used at hearings. We haven't actually seen a lot of demand in that space. It's probably an area that if we see more, we will need to do more work in, but there hasn't been a lot at this point in time. We've certainly invested in the training for our people so that we - what's very important is that we take the time to get to know the client and their will and preference. Part of it relates

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to their special needs when it comes to communication, or the key people involved in their life, or what's important to them.

CHAIR - So it's the relationship?

Mr KENNEDY - It is, absolutely; it's about trust and having that positive relationship.

CHAIR - Any members? No? I have more questions. I just don't like - you have a question? No, that's fine. I don't like to take up all the questions of others. No, that's fine. Going back to the client satisfaction surveys, I know we've already asked some questions; is that done by an independent third party?

Mr KENNEDY - It is. We engage Myriad Research.

CHAIR - I'm sorry, you did mention that before, but did we say how much it cost annually?

Mr KENNEDY - I didn't because I wasn't asked, but I can answer that: it's approximately \$18,000 a year to do that survey. It's quite extensive. It involves up to 40-minute conversations with clients and their support workers, but for us it's a really important investment because the voice of our clients really guides what we need to keep doing and what changes we need to make. For us, it's one of the most important pieces of research we do every year.

CHAIR - How do you ensure that that there is sufficient independence with that? I think that's really important too, in gathering the client data. I'm assuming that Myriad is the one that interprets the data, or you interpret that in-house?

Mr KENNEDY - It's all independent. Myriad interprets the data and provides a report and they come along and report to the board as well. It's done to Australian privacy standards. That's the value in the investment that we make: that you know that it's conducted appropriately and in line with those guidelines. It's not something that we do internally. We open up our client base for them to do it arbitrarily. We do write to our clients and reach out to them to give people the opportunity to opt out as well, should they not wish to participate.

Ms TAYLOR - Can I add to that to give you an assurance in terms of the rigour of the survey. Obviously some of our clients are non-verbal or not able to respond, but we still want the views of that client group and so support networks are involved in the survey. We really endeavour to capture as broad a cross-section of our clients in terms of the feedback.

Mr ABETZ - Human nature being what it is, people are satisfied and then they're told they might have to engage in a 40 minute interview, I dare say a lot of them will say, 'No thanks'. Whereas if you've got a beef for a complaint, you are more likely to say, 'Yes, I will take up this opportunity'. I would assume these figures are exceptionally good for the Public Trustee.

Mr KENNEDY - If I could add to that. The field work was conducted in accordance with the relevant industry quality assurance standards, ISO standards, and privacy protocols, market and social research privacy code relating to the survey methodology as well as the Public Trustee's own privacy considerations. It's also robust and to a 95% confidence.

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CHAIR - Thank you. Another question I always like to ask, and I've asked these for a long time about many GBEs and SOCs, I noticed you have a five-member board, which is quite a small board.

Ms TAYLOR - Yes, it is.

CHAIR - Is five the number or are you short on any numbers? Is five the number, or is it a seven and you've just got five members?

Ms TAYLOR - Yes, it's a five-member board. It's a high-performing, skills-based board, of course, very committed to purpose and, because of the skill set that those particular directors bring to the board, I think a five-member board is appropriate.

One director is a former public guardian. One member is an expert in investment markets. One has lived experience, and one member is an expert on risk and audit in terms of our financials. As chair I've implemented client-centric frameworks in the past and of course I have a background in governance. All those skills come to the table and it has been a high-functioning board.

CHAIR - Do we have a Tasmanian-based board, or do we have anyone from the mainland?

Ms TAYLOR - It's a Tasmanian-based board.

CHAIR - It's wonderful to hear, and congratulations.

Ms TAYLOR - And can I say regional representation, as well.

CHAIR - Yes. I'd have to say, acting Attorney-General, through you, absolute congratulations on having a skill-based Tasmanian and regional representation, which I've always found to be very important. Certainly they know the best about what Tasmania needs.

Ms TAYLOR - Can I add to that as well. In terms of the regional representation, the board is very conscious of, as we say, getting feedback about especially the gaps in our service and areas we need to improve. The board meets around the state. It doesn't just meet in Hobart. Before we meet, in every location we invite stakeholders and networks to come in and meet with the board. We are gathering intelligence and feedback about our services, directly to the board, which is a very important thing to do. That's been a very important part of our mission.

CHAIR - Lifting the profile and good name of the Public Trustee.

Ms TAYLOR - Yes.

Mr HISCUIT - Just allowing you to talk on positives again, as part of the improving client services through technology, there's a statement about improvements to staff workload management tools, enabling greater insight into the effort required to provide efficient client service delivery. Did you want to speak more to that to explain that better?

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Mr KENNEDY - It's twofold, really. We've made changes to our existing systems that help provide a bit more detail around complexity, help staff as far as notifications and reminders around what's coming due.

Mr HISCUYT - Is this a change in process, or is it change in software?

Mr KENNEDY - No, it's a change in the system itself. Which means reaching out to have certain things turned on or introduced or amendments to the existing technology.

I think the big change for our people will really come in 12-months time and we can lift and move to more contemporary -

Mr HISCUYT - This is working within - this is improvements, not a change. This is just, 'We're using what we've got more effectively'. I wanted to understand what the actual comment meant. Thank you.

CHAIR - No, that's fine. Thank you. I have a few different areas; trying to think which one to go to.

The annual report emphasises the efforts being made to nurture people and culture at the Public Trustee, which we know is very good. What specific measures have been made in the past few years to make things better for the staff? Apart from what we've already spoken to, have any of the changes made a difference to the pool of candidates that are attracted to work at the Public Trustee in recent years? We talked about applications, have they increased - are you finding that you're getting more applicants from a wider range and, as we mentioned earlier, perhaps from interstate and other areas. How is that actually working?

Mr KENNEDY - If I roll the clock back three or four years, a lot of people coming into the Public Trustee were concerned, I guess, about reports, and what they'd heard and read. Rightly so, and that's changed significantly. There's such a positive culture now that people who apply for roles - and it's Tasmania - often know staff who work here and they've heard about what a great place it is to work. So that helps.

The number one thing that's really attracting people is it's a place to work with purpose and that seems to be really resonating with younger people, in particular, who are looking for this, I guess, as a key aspect of where they work.

CHAIR - Outcomes.

Mr KENNEDY - Yes, outcomes. And it comes through loud and clear in the surveys that we conduct of staff. It's one of the things: the camaraderie with their team, the support they give each other, but it's work with purpose.

CHAIR - What sort of reasons are you most frequently given when people do leave apart from retirement? Do they leave to go into the private sector? When they're leaving you find out the reasons they're leaving so what sort of reasons do you normally get? Do you lose many people?

Mr KENNEDY - Turnover has reduced over the three years down to 23 per cent now. It was about 48 per cent three years ago -

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CHAIR - Yes, 48 per cent to 49 per cent in 2023.

Mr KENNEDY - Yes. So, that's really important not just for our own people, but also for our clients because they're getting that continuity for the relationship. Because our staff are part of the State Service, there are opportunities for them to move into different departments, go up for extra pay. Sometimes people come into the organisation and they're looking for a role for a period of time. Naturally, everyone wants to progress. Sometimes people come in and it's not what they thought it would be or, until you start doing the role, maybe it's not what you're cut out for. That's fine because it is a challenging role. So, there are no concerns from our point of view around the number of people leaving and the reasons for leaving.

We actually support people and encourage them. It's about their career development and that comes down to those discussions you have during the year and what they'd like to do with their careers; so, they go with our support.

CHAIR - I know you have those meetings. The monitoring, the staff sentiment and the people and culture, is that done mostly in-house? I know we had the other group -

Mr KENNEDY - The staff engagement survey this year was an in-house pulse check that we did because the broader State Service, whole-of-government didn't do the survey. It wasn't due for this year, but we wanted to check in with our people and get feedback from them. A big part of that survey - they answer four or five questions that are the drivers for engagement and we mirror the same with the State Service, but there are a lot of verbatim comments. One of the benefits of having four or five questions is we have a lot of gold comments about what people love and what they want to see done differently. So, if the whole-of-government is running its survey, that's what we do. We might do an additional check, like we did when we launched our supported decision-making framework - we did an initial check with our clients, initial check with our staff - but, on an annual basis, at a minimum, it's really important feedback.

CHAIR - How do you ensure the integrity of the information if it's not done by an independent or impartial third party?

Mr KENNEDY - It's anonymous, that's the first thing, and it's done through our marketing team, which is one person or sometimes one point - more than that. They make sure that before the report is passed on to management or distributed that any identifying factors, particular in verbatim comments are removed, which, generally, you don't need to do a lot of work in. I think it's really about the culture as well. It's not just about asking people what they would like to do. You have to be open to taking on that feedback, sharing it and, basically, make the changes then make sure you get on with doing what people need, otherwise you're effectively saying you're not listening or you don't value people's feedback.

CHAIR - Your FTE - I'm just not sure, did we ask the question?

Mr KENNEDY - FTE is 77.

Ms WEBB - Seventy-seven and 88 headcount.

CHAIR - Did we have any positions that were vacant though, across -

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Mr KENNEDY - You asked that as well.

CHAIR - You asked that? That's alright, I was just -

Mr KENNEDY - It's on *Hansard*.

CHAIR - I will read that. I will go to another question. You already have a number of partnerships with organisations like COTA, and events like Law Week and so on. Is there scope for you to build partnerships with organisations perhaps in the banking or the legal sectors, such as Tasmanian banks? People might be more willing - you know what they're like; they like a one-stop shop. Are there any other areas that you're looking to do some partnerships with, apart from the ones you're already engaged with? Through you, acting Attorney-General.

Mr KENNEDY - We have an important relationship with Legal Aid. We refer clients to Legal Aid for their services, and they will refer clients to us for wills. We already have really good relationships with the private legal firms around the state: north-west coast, Launceston and in the south and it's really important. We were engaging with them recently and the feedback is that we're not seen as competition. There's such a need for wills in Tasmania that it's going to take a collective effort to actually solve for this service need.

When it comes to banking, we're always open to new partnerships. We work closely with banks when it comes to the work we do identifying any suspected elder abuse or misappropriation of funds. As far as the services of the organisation, that's set by our Ministerial Charter, and we work very closely to make sure that we're focused on delivering those core services to the community.

CHAIR - That's really important. Another question I have, and we have talked about community engagement and the amount of work that you're doing. I'd like to put on the record just how great, you particularly, and I think there aren't too many CEOs who actually provide their mobile number to people to reach them and will call you back if you don't reach them. It is really important to put on the record that it has been amazing from my office's perspective to make a call to the office to have a very quick response and be able to resolve something. It doesn't happen in most organisations. Since you've been there, I have to say it's been absolutely amazing. From the office of Launceston, we thank you very much.

I will ask another question, but I wanted to put on the record just how good it has been, and for our constituents, how grateful they are, particularly when they can have something resolved quickly without having to tell them, 'I've written, I've phoned, I'm waiting for an answer', and then maybe a couple of weeks later - to actually be able to get it back within 30 minutes.

Mr KENNEDY - If I could add to that, especially since a number of staff are probably watching. One of the risks I identified in my first year was that a lot of that work was being done by me. What's really pleasing, and we recently had an internal audit, is that that level of accessibility and availability now goes right through the organisation, so that removes that dependency, it's part of the culture.

The stakeholder reference group is a great example. We have a team leader, the manager of personal services, our director of client services. So, outside of those regular meetings, if

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ever there's an issue with the health service or anything, they can pick up the phone, and as you say, it helps cut through and get things done quickly.

CHAIR - Absolutely amazing and a real benefit to constituents. They are so grateful, and they feel listened to, which is really important that is now happening.

One final question because we're almost out of time. With community engagement and the media efforts - and I know that you're making a lot of that and doing a lot of work - do you find that there's been any quantifiable increase in the number of inquiries the Public Trustee gets for assistance with the wills, the guardianship and the estate planning? Can you actually show some real benefits from that? That will be my last question, unless other members have any questions?

Mr KENNEDY - One of the key things we've focused on is not just services for new people coming in the door, but retention. When I first started what we call 'later wills', which is when somebody comes into the office and lets you know that they've written a will somewhere else, there is no central register, but that's a really good indicator of where things are at. When I started, there were probably between 60 and 70 wills with people coming in every month and saying I've taken my will elsewhere. That's reduced significantly over the three years and it's now down to 25, and we're aiming to get it down to 15. So people are a lot more comfortable reputationally.

As I said before, we're booked out until March next year, so there's a lot of demand for our services. It's important now - and this is what the board recognised in our recent strategic planning - that we need to get out there in the community and do more work around our brand health and sharing all the good work that's being done. It's important for people in the community to have confidence in the Public Trustee.

CHAIR - I really appreciate it. Any other comments that you'd like to make, chair, or through you, acting Attorney-General, before we wrap up? You can see you're doing such a great job, that's why there aren't too many questions, because you are doing such a great job.

Ms TAYLOR - It has been recognised by the committee, and I certainly thank you on behalf of the board and the organisation, that over the last three years we have really turned the Public Trustee around. We had an independent report, we had an OTTER review into the services of the Public Trustee, and there's no doubt it was letting the community down. That's been recognised. With the cultural changes that we've made, the organisational changes that we've made, you are starting to see from our service delivery, and we've quantified it now with the surveys, that we're actually able to go back out into the public and say that the Public Trustee is a different organisation, have confidence in us. From here, the board is using this as a springboard to move into other areas now. We've provided a dividend back to the government this year -

CHAIR - Yes. A big turnaround.

Ms TAYLOR - under our GBE status, and the forward Estimates say that as a GBE we will be fulfilling our obligations to government in that regard.

More than that, we service the Tasmanian community. We have a whole range of strategies now, as I said, with this solid foundation, to grow the number of wills, to use our

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partnerships. We think we're better together than apart. The stakeholder reference group has been one of our critical success factors. People won't work with you unless they understand what you do and how you can partner together. Our door is open, we're out talking to people, we're part of the community and from here you will see other areas of our revenue raising growing over the next few years. It's exciting to think about what we can do now in terms of those services that the Public Trustee offers to the community.

CHAIR - Thank you. I really appreciate your comments. It's been great. No further questions?

Mr HISCUIT - No. Very good.

CHAIR - As I said, it's been wonderful having you in today and hearing the progress of the Public Trustee. I'm sure all members here feel the same. It's been such a pleasure to see the turnaround. From my perspective, it's great to see a Tasmanian board, questions I've always asked about, so thank you very much.

Mr KENNEDY - Thank you.

The committee suspended from 12.43 p.m. to 2.00 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Sustainable Timber Tasmania

Tuesday 25 November 2025

MEMBERS

Hon Rosemary Armitage MLC (Chair);

Hon Meg Webb MLC (Deputy Chair);

Hon Luke Edmunds MLC;

Hon Mike Gaffney MLC; and

Hon Casey Hiscutt MLC

WITNESSES IN ATTENDANCE

Hon. Felix Ellis MP, Minister for Business, Industry and Resources

Ministerial Office

Adam Foster

Chief of Staff

Anna Fidock

Senior Adviser, Business, Industry and Resources

Sustainable Timber Tasmania

Rob de Fégely

Chair

Greg Hickey

Acting CEO

Suzette Weeding

General Manager, Conservation and Land Management

Chris Brookwell

General Manager, Corporate Services

Sustainable Timber Tasmania

CHAIR (Ms Armitage) - Welcome, everyone. Thank you very much for appearing before the Legislative Council Scrutiny Committee for Sustainable Timber Tasmania.

I will introduce the members of our team. We have the honourable Luke Edmunds, member for Pembroke; we have the honourable Mike Gaffney, member for Mersey; and me, Rosemary Armitage, member for Launceston. The honourable Casey Hiscutt, member for Montgomery, will be here shortly; and we have the Honourable Meg Webb, member for Nelson. Secretariat support is James and Julie. We have Terry doing a great job for Hansard.

This is our team at the table, minister. Could you introduce the members of your team and make an opening statement if you wish before we start with questions.

Mr ELLIS - Thank you, Chair. Allow me to introduce those with me today from Sustainable Timber Tasmania: Rob de Fégely, chair; Greg Hickey, acting CEO; Suzette Weeding, General Manager, Conservation and Land Management; and Chris Brookwell, General Manager, Corporate Services. To my right, I have Adam Foster, my chief of staff, who won't be taking questions.

Collectively, forestry contributes more than \$1.2 billion to our economy and provides jobs for over 5700 Tasmanians, of which over half are direct jobs in primary and secondary processing. Sustainable Timber Tasmania is an integral part of our forestry sector with responsibility for managing the 812 hectares of public production forests on behalf of all Tasmanians. As part of the Liberal 2030 Strong Plan, the introduction of Sustainable Timber Tasmania's new ministerial charter has helped sharpen SDT's focus and help meet the evolving needs of Tasmanians. It outlines clear government expectations, with a strong focus on supporting multiple uses of permanent timber production zone land, including for recreation, beekeeping, hunting and cultural activities, delivering positive socioeconomic outcomes and strengthening stakeholder engagement.

Sustainable Timber Tasmania has now operated profitably for eight consecutive years. In the 2024-25 financial year, they recorded a total comprehensive income of \$4.8 million and a net profit after tax of \$5.8 million, which includes a considerable commitment to fire management, community engagement, research and other critical services to the Tasmanian community and the protection of our forests.

Fire is a serious threat to our native forests. More than 1900 hectares of permanent timber production zone land was impacted by fire last year. It's a stark reminder of the importance of proactive fire management. Protecting Tasmania's communities, forests and infrastructure from bushfires remains a core responsibility, critical service and a year-round focus of STT. In 2024-25, Sustainable Timber Tasmania's trained firefighters worked with the TFS and Parks to combat bushfires and keep our communities safe. STT also conducted fuel-reduction burns across the public forest estate, helping to reduce fire risk, with harvested coupes and regrowth areas used by the TFS as critical areas for the management and prevention of large-scale bushfires.

STT has an active research department. Within the financial year 2024-25, Sustainable Timber Tasmania led or participated in 31 active research projects valued at \$14.2 million, in

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partnership with 25 leading organisations, and supported by nearly 100 collaborators across Australia.

This year marked an important milestone to bring Sustainable Timber Tasmania's plantation solid wood resource to market, with the commencement of stage 2 of the project. This provides the opportunity for industry to participate in a competitive process to secure a long-term supply of plantation logs for processing in Tasmania. This process is expected to conclude in the next financial year.

In 2024-25, the STT team was honoured with several Forest Practices Awards and Tasmanian Timber Awards, recognising excellence in community engagement, innovation and traineeship development. These accolades reflect the talent, commitment and professionalism of the team and the strengths of their partnerships across the forestry sector. In addition, STT was formally recognised as an inclusive employer by the Diversity Council of Australia.

Steve Whiteley retired as CEO of Sustainable Timber Tasmania in July 2025. Steve contributed more than four decades of service to the forest industry, including 12 years as CEO, and we thank him for his service.

2025 has been a year that reaffirms STT's long-term commitment to sustainably managing Tasmania's public production forests and the people and industries that depend on them. On behalf of the government, I'd also like to thank STT, its board and leadership and all STT employees for the hard work and dedication throughout the year in their management of Tasmania's sustainable and renewable public forests.

Thank you, Chair.

CHAIR - Thank you. I will start the questions if you like. We were talking about Huon pine, so let's start on that issue. How is STT addressing the supply issue that we face? I understand that STT stopped salvaging Huon pine sawlogs five years ago and that the small amount of sawlogs remaining in the stockpile would not last two years under previous annual allocations. When will the initial trial assessment of the fire killed, dead, standing Huon pine be completed, and, if proven successful, when will the first sawlogs be salvaged?

Mr ELLIS - I will pass to the team from STT shortly. Broadly speaking, STT has in previous years facilitated the salvage of small quantities of Huon pine from the Teepookana Plateau on Tasmania's west coast. The availability of accessible resource on the Teepookana Plateau is now largely depleted. Huon pine product is available in stockpiles at Island Specialty Timbers, Strahan, and small quantities are available as wooden boat board through the Wooden Boat Board Bank.

Huon pine is salvaged from logs discarded during harvesting activities in the 19th and 20th centuries. Sustainable Timber Tasmania does not harvest live Huon pine trees except in rare cases to facilitate access or for safety. As I mentioned before, there's currently no resource being collected from the Teepookana Plateau. There are several key areas associated with STT's Huon pine management approach that are being developed and I will pass to the team from STT to add further.

CHAIR - Would you like me to reread the question or you're good?

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Mr de FÉGELY - No, that's fine, thank you, Chair. Thank you, minister. Over the last year we have commenced and engaged, possibly more than we have in the past, with the special species timber group and worked out ways we can access and deliver wood through a series of discussions around trials and coupes. Our general manager conservation and land management, Ms Suzette Weeding, can probably give you a bit more detail.

CHAIR - If they can because these questions came as of November, so it's still a real issue.

Ms WEEDING - Huon pine has been a challenge, I guess, in terms of its management for quite some time in terms of more resource. As the minister highlighted, our ongoing activity up on the Teepookana Plateau has largely ceased. We still have stockpiles retained at Strahan, which we're making available to industry as part of requests that come through. We have quite considerable quantities of craft wood in store. It's the high-quality products that are the key point that special species stakeholders are particularly interested in, and it is one of the most challenging things to obtain. Huon pine is salvaged on PTPZ land. There are obviously other opportunities on other tenures, which is the standing fire-killed pine that you referred to in your question.

CHAIR - Do we know when that will be completed?

Ms WEEDING - That's not on permanent production zone, so that's not an issue for STT.

CHAIR - The initial trial assessment - so, it's not on STT land?

Ms WEEDING - No.

CHAIR - Okay.

Mr ELLIS - Chair, to assist, in terms of an update on the particulars with the heli-harvesting salvage scoping study, it is underway. Stage 1 is now complete. This stage involved a preliminary scoping plan to explore the costs and challenges associated with heli-harvesting to salvage dead Huon pine and a proposed work plan for stage 2. This was shared with the special species working group for feedback to ensure that industry voices were included.

Stage 2 has now commenced and is expected to be complete by the end of the coming financial year, so 2025-26. This stage will include preliminary research into potential salvage sites, collecting samples for analysis, a comprehensive desktop analysis, and the development of quantitative tools to guide future industry decision-making.

I'm providing that only by way of background. We don't have the forest policy people here with us today.

CHAIR - Is that the \$50,000 feasibility scoping study that was committed to elections ago?

Mr ELLIS - Certainly the one that's been committed to, so yes. Stage 1 is complete and, yes, working through stage 2.

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CHAIR - The question that I could have then, if that's not on STT land, what is the government's plan to supply Huon pine to the special species sector, and does the government actually have a management policy for Huon pine?

Mr ELLIS - I will pass to the team from STT, if there's anything to add about STT in particular. Obviously, Huon pine is quite a limited resource. It's not available for harvesting of live trees, so it's very much arisings. This is certainly a challenging area; it's limited by effectively biomass of the existing resource which has died and then able to be harvested. That's part of the reason why the scoping study has been made available. We do think that there are some options in different locations around the state for fire damaged and other standing Huon pine that could be brought to market. We do also need to recognise that by its nature and management, that this is a rare and limited resource. I will pass to the team from STT, if there's anything further to add in an STT context.

Mr de FÉGELY - Thank you, minister. Suzette?

Ms WEEDING - To continue with that line, in terms of meeting current demand, we are meeting current demand. We've had a number of customers approach us and acquire Huon pine category 4 and utility logs in the last year, and we are meeting that demand. The stockpile we have at the moment is still available for those customers moving forward, and we will continue to work through that process.

In terms of ongoing supply from STT's perspective, as I said, we have no intention to recommence operations in the short-term on Teepookana Plateau. We will continue to salvage timber wherever we possibly can and wherever we can acquire it, we will bring it through and make it available to customers.

CHAIR - Thank you. Minister, does the government actually have a management policy for Huon pine?

Mr ELLIS - I will pass to the team from STT, if there's anything particular from an STT context. Obviously, we don't have the team from Forest Policy here available. Certainly, we're committed to taking action where we can on opportunities as they arise, including the harvesting of dead standing timber. But -

CHAIR - Sorry, before you continue. I did mention the fire killed Huon pine stands that were not on - but in the Premier's letter, 4 July, I noticed that he mentions - I'm assuming he's talking about STT:

... continue our commitment to a scoping study for the Huon pine resource and informed by this, work with industry to develop a clear framework for salvage risk mitigation and rehabilitation of dead standing and fire-killed Huon pine stands.

Mr ELLIS - Yes, so that's the update I've provided, Chair. We've completed stage 1; we updated the special species working group and are moving through to stage 2. We think there are some interesting opportunities and we will be working through that.

Ms WEEDING - Just to clarify for you -

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CHAIR - Yes, because it's a little confusing.

Ms WEEDING - The dead standing Huon pine is not on permanent timber production zone land. The areas that we salvage in permanent timber production zone land are areas that were cut over by the piners back in the 1800s and it's basically under the forest floor.

CHAIR - Is it underwater?

Ms WEEDING - No, it's on the forest floor and it's covered by debris. That's part of the challenge in salvaging Huon pine and being able to do resource assessments of what's there, because you are essentially taking what the piners left behind. That's part of the challenge in determining how much Huon pine you might have over a particular area. It's really what's there and you can't see it on the ground because it's all covered in debris.

CHAIR - And the fire killed is in what areas?

Ms WEEDING - Is on other tenure: so regional reserves, conservations areas, and other areas managed by NRE.

CHAIR - Right, so not by STT?

Ms WEEDING - Correct.

Mr HISCUYT - Noting from the annual report, in relation to sustainability reporting, it talked about the improved ESG - Environmental, Social, and Governance - compliance and we're still in early stages of this journey, and progress to date provides strong foundations for continuous improvement. What is the timeline for a completion - it's ongoing, obviously, but having a substantive understanding of where you're at in that process?

Mr ELLIS - Thanks, Mr Hiscutt. I will pass to the team from STT shortly. In the last financial year climate and sustainability remain a key focus for STT, with meaningful progress being made towards establishing a clear roadmap for improved ESG - Environmental, Social, and Governance - performance and future regulatory compliance. Throughout the year, we concentrated on strengthening our government's frameworks, building internal capability in climate and sustainability, and improving how we identify, assess and report on climate-related risks and opportunities. Works also commenced on defining our ESG priorities and setting measurable targets that align with our broader sustainability and decarbonisation goals.

While we're still in the early stages of the journey, the progress to date provides a strong foundation for continuous improvement. These efforts are critical to ensure our operations remain resilient, responsible and aligned with the expectations of our stakeholders, the community, and future regulatory requirements. I will pass to the team from STT.

Mr de FÉGELY - Thank you, minister. Climate change and reporting is very much a focus of the board. We received a briefing from Deloitte probably two years ago regarding what we needed to do under the task force disclosure rules and what that actually meant for us. We then reviewed where we were, did a gap analysis, tried to understand what data we needed to bring to be able to meet those reporting requirements.

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We've done a number of things. There is a number of projects underway at the moment. We've looked at seed and how that may be impacted, particularly how we regenerate coupes and whether there's going to be an issue for the forest longer term. I'm pleased to say we don't believe there's going to be a major issue, but we have seed zones around the state for where we don't move seed from, say, the north to the far south for elements of proper regeneration.

We undertook a materiality assessment, which from - personally, I wasn't quite sure whether that was a great move or not because it's based on opinion, but it was actually very instructive when I thought about it because it's actually what people think. Therefore, that was instructive for us to understand what people are thinking, and if we think we're doing something else and everyone else thinks we're not, then we need to address that. That was very useful.

We have established a board committee under that, that has carriage of climate change impacts and how we report on that. We've had a draft run at natural capital accounting, but it's very complex. We did that with CSIRO but we're probably not progressing that at the moment. That will go backwards, but we've got a framework. I will ask Suzette or Greg who might like to give you the full details of the process of what we're up to.

The most important thing is that we - our fire protection and to protect the forest, because the one thing that will make a big difference for us, if we get a major bush fire that will really increase our emissions. Therefore protecting our forest is a really important thing for us. We have done some work on that and we're investing heavily in forest protection. Suzette, would you like to add some comments on that.

Ms WEEDING - I believe it's a work in progress, as the chair has identified, and it's something we are working our way through at the moment.

Our ESG approach focuses on three key areas. It's implementing a program to drive change, governance, strategy, risk and developing real metrics that we can measure against to enable the organisation's compliance and be ready for future compliance because we know that's coming in in the future.

We're looking to adopt a strong ESG framework linked to the UN sustainable development goals. We essentially use that as a lens to look at our ESG reporting and compliance requirements. We are tying ourselves to or aligning ourselves with those international requirements so that we can measure ourselves and see how we're tracking in that space.

We are building our capability internally in ESG and things like natural capital accounting to enable us to measure and report against those metrics. It's a work in progress. It's something that we are working our way through. As the chair mentioned, we've done a materiality assessment, which gave us some really interesting insights in what our stakeholders think and how they measure the performance of our organisation against a whole range of aspects.

In some ways it was no surprise in terms of the things that came out. But it's the things that we can focus our metrics and our reporting because those are the areas that are key interests to our stakeholders.

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Mr HISCUTT - Sounds like you're getting valuable insights out of what's been produced so far. Looking forward to see where they continue into the future.

If I may or someone else -

CHAIR - If you want to keep going, then I have some more questions about special timbers. Do you want me to ask mine and then come back to you?

Mr HISCUTT - Here it is. I was going to say, in Corporate Governance Principle 1: Laying a Solid Foundation for Management and Oversight:

Each year through the People, Culture and Care Committee, the board evaluates its own performance and periodically seeks an independent review of its performance.

How often is the independent review done in that respect?

Mr de FÉGELY - We don't necessarily have a fixed process, but I'm - Chris, you might be able to tell me how many times we've done it. We had an independent process this time. We used a company called Integrity Governance. We have used them, I think in 2023, or 2022, which laid out quite a extensive program for the board for continuous improvement of the directors, where we thought the weaknesses were for each director. We found it an extremely valuable process to have somebody independent - and they also interview the general management team. So it's a bit of a 360-degree feedback type process, and that's always helpful for everyone on the board.

Our board - probably this year was a tough year in many ways with uncertainty around getting our log contracts back on track and the processes with a retiring CEO, retiring directors; so it was an unsettled period, but the board has managed it fairly well, I think, as with the general management team. We would possibly do one in-house next year, but look for an independent the following year.

Mr HISCUTT - So approximately every couple of -

Mr de FÉGELY - Approximately every second year, yes.

CHAIR - Okay. Did you have another question? That's fine, you keep on that.

Mr HISCUTT - On the statement of corporate intent, I had two questions: the plantation re-established hectares, the target was 600 and the result was 496, so obviously below target. But the note says, 'met required needs'. I was wondering if you could explain that.

Mr de FÉGELY - I will hand over to the acting CEO for comment on that, because it's an operational thing. We have to plan in advance.

Mr HICKEY - Absolutely. Thanks, chair. So it depends on weather conditions and other things that allow us to operate in the forest. The target is 600; we got 460-odd. That was essentially what we could physically complete with the weather conditions during the period. The bank of ground is still there and we will pick that up in following years.

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Mr HISCUYT - Yes. Just the note says, 'met required needs', not 'were unable to meet your target for'. That's why I was asking the question. It's not so much -

Mr HICKEY - Yes. The need was to prepare that amount of ground this year that had been lying fallow the longest. So that was the target to get there. But in terms of the program, it continues.

Mr HISCUYT - No worries at all. Similarly, on the same table, contribution to state prevention, preparedness and detection of bushfires, percentage of employees trained and available: the target is just above 70 per cent and the result says also above 70 per cent. Do you know what that actual result was? I'm wondering why everything else is to point 1 and point 2, and that one was -

Mr de FÉGELY - No, that's right.

Mr ELLIS - It may depend on as people come in and out of the business.

Mr de FÉGELY - It does, but I unless I'm - my colleagues may correct me, I think it's 77 per cent.

Mr HISCUYT - Yes, okay. It's probably worth celebrating that it's that far above the target, instead of it being - I was just wary of it being 70.1, so -

Mr de FÉGELY - No, it's very good. No, no.

Mr ELLIS - Including some of the people at the table, I think I'm right in saying, right?

Mr HICKEY - Yes.

Mr de FÉGELY - Yes.

Mr ELLIS - It's really one of the commendable things about STT, the commitment to firefighting that goes right through the organisation. Again, it's part of the significant contribution that's made to the community in areas beyond timber production.

Mr HISCUYT - I was going to give an opportunity at some point to talk about the AI detection as well. That seems like an amazing - the attributes that you're getting there.

Ms WEEDING - Just to add to that, if you like: of our 170 people, we have 130 employees trained and available for firefighting or incident management team roles.

Mr HISCUYT - Thank you very much for that. I will come back with some questions afterwards, if you want to go for a bit.

CHAIR - No, that's fine. Continuing with the special species volumes, STT's 2024 forest management plan stated:

Sustainable Timber Tasmania has a role in maintaining a supply of special species timbers. Special species timbers are used to make a range of products.

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and it goes on:

Each year, Sustainable Timber Tasmania reviews the annual supply of special species timbers and publishes its three-year wood production plan.

Hence I have the three-year wood production plan:

Special species timber production is aligned with Tasmanian special species.

So in the 2024 - last year's annual report, there were only 2 cubic metres of blackheart sassafras and 3 cubic metres of celery top pine, category 4 harvested respectively. Approximately two-three trees of each species.

In this year's annual report, 2025, the volume of category 4 blackheart sassafras was only 2 cubic metres and celery top, only 2 cubic metres. So the volumes produced of these key timbers has continued to decline to the point that the millable log volumes that both timbers have declined - and I'm guessing you agree - by over 99 per cent since 2011. Similarly, the volume of all the non-blackwood species, the millable log volumes has also declined by over 99 per cent in the same period. Essentially, there's no supply of these timbers.

Given that the 2025 Farley review, which was a bit of interesting reading - luckily there was a summary at the beginning - basically, he found that the sector was facing systemic failure. Is STT aware of the ongoing significant timber shortages in the special species sector? Does STT have any internal policies or practices regarding the supply of special species timbers to the sector? If so, can they be supplied to the committee? That's my first question.

My second question, as STT claims to have 52,700 hectares of forests rich in special species timber and claims to review the supply of special species annually, can you explain why there's been a virtual cessation of non-blackwood species sawlog supply in the face of significant and acknowledged demand? Is it because the timber is physically not there, or is it a management decision not to supply those timbers?

They're my first two questions.

Mr ELLIS - Thanks, Chair. I will pass to the team from STT shortly. STT supplies special species timbers both directly to sawmill customers and through its commercial business at Island Specialty Timbers. The three-year wood production plan, estimates following from planned harvesting activities across a three-year period. This includes the estimate of special species timbers which may be generated from arisings. It's certainly important to note that policy decisions by previous governments have moved a range of, or a large volume of, special species timbers into other land tenures that STT doesn't manage. The work that STT is doing to focus more on a regrowth and plantation model does limit the availability of some of these older growth -

CHAIR - They take a long time to grow, is my understanding.

Mr ELLIS - That's right. Much of it is now in areas of reserve or future potential production forest. In terms of the operational side of things, in various detail -

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CHAIR - Is there an internal policy practice regarding the supply and, if so, could it be supplied to the committee?

Mr de FÉGELY - It's an operational question, Chair. Thank you very much. I will pass to Greg and Suzette.

Ms WEEDING - To answer your question, no, there isn't an internal policy, as such, in terms of special species supply. It is something we are aware of and have been working through as an organisation in the last few years. We've acknowledged that our supply model, which the minister outlined, is moving from that mature forest of which special species were recovered as arising. We call 'arising,' essentially, other timber that is harvested that isn't the target. So, eucalypt forest with a rainforest understorey, we would take the merchantable timber that was generated as part of that harvesting operation. The forest types that we're operating in now predominantly don't have that understorey and that sort of space. So, that ability to generate special species timber through arisings is reduced substantially. That is reflected in the numbers that we are reporting.

That said, recognising that there is this deficiency and there is some demand, at the moment, we believe we are meeting market demand. We have our business, Island Specialty Timber, which makes resource available. That is still operating and providing wood to the market. We acknowledge the fact that we have to do some more work in this space and we've been engaging with special species stakeholders to go out and have a look at some of the coupes within these special timber management units - and that's the 52,600 hectares that you referred to.

CHAIR - Do you think that there is - because I have to say I've been here since 2011 and I recall at one stage, when we had some of the inquiries into timber that many of the areas that were supposed to be rich in timber were actually full of button grass and they didn't have trees. I can recall, many years ago that was the case. The areas that were set aside for special timber did not have any special timber on it, and they had just fields of button grass.

Ms WEEDING - The rainforest communities, particularly up in the north-west, often abut button grass. Therefore, you will end up capturing, from a mapping unit perspective, an area of button grass. But you have rainforest directly adjacent and those are the areas that we're obviously targeting from a special species resource perspective.

What we're looking to do, in the next 12 months or so, is to work through a range of trials to go out and look at individual selective special species harvesting within some of these rainforests and other areas rich in specialty timbers in order to augment supply, but also to fully understand the demand model and the cost. One of the challenges we've got with special species is that, as you can imagine, when you're harvesting a coupe and a rising, you're spreading your cost model across the whole coupe. Therefore, all the wood that comes out of the coupe, whether it be eucalypt or special species, is captured and covers that cost.

One of the challenges going forward is how the market cost in terms of what you would get for the special species timber and whether that's actually going to be able to cover the operational costs of running these activities. That's one of the questions for us from that side of things. There's obviously also a range of other operational aspects that we will need to explore in that space regarding the safety of going in and taking individual trees. Ecology - it's important for us to look at how we were generating these areas and what, for us, we're leaving

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behind. We certainly don't want to move into a model of going in and taking the best trees and leaving everything else there. We understand the importance of the special species industry and its continuation.

CHAIR - Thank you. Before I go to someone else, I will ask you one further question on this area. I do have more on special species. STT's current three-year wood production plan states that in 2027 for the first time in history - or my understanding is that it's the first time in history - no special species sawlog will be produced in the southern region. First of all, is that correct? I'm assuming that your three-year wood production plans are on the money. Where will the special species sector obtain special species sawlogs in 2027?

Mr ELLIS - I've mentioned before, Chair, that this is one of the impacts of the policy decisions that were made by the previous government, but happy to pass to STT in terms of the data and the opportunities for the future.

Ms WEEDING - To be honest, I'd still have to validate that from the three-year plan, but happy to take your observations in that space.

From a resource perspective and a forest-type perspective, the vast majority of our special species timbers are from the north-west of the state. That's the wetter forest areas where you've got those rainforest and predominant mixed-forest communities. That said, we do have a number of coupes which are potentials looking forward which we will look at, particularly up in the Tyenna area, up past Maydena which have quite considerable quantities of species such as celery top pine. There is potential for some from the south.

The important thing about our three-year plan is that we revise it every year. So whilst it's a three-year projection of the next three years, it's revised every year and republished every year. As new information comes to the fore, as it becomes available, we do further assessments on some of these coupes, then they will roll into the three-year plan and we will be able to look at how we continue to augment that supply in that space.

CHAIR - There wouldn't be any industry consultation at this time, then, with regard to any cessation?

Ms WEEDING - There's absolutely no cessation process, or no indication of a cessation. It's really about a plan looking forward. In terms of engagement with the special species industry, we engage through a number of aspects both directly with special species stakeholders, but also through the -

CHAIR - You say it will continue to be harvested?

Ms WEEDING - We will continue to look at harvesting special species timber.

CHAIR - In the south?

Ms WEEDING - Yes.

CHAIR - Okay. I will wait until next time when we come back.

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Mr ELLIS - Chair, as a reminder as well that there's a range of different opportunities for special species that are not in STT-managed land. So -

CHAIR - I appreciate that, but let's just say I'm quite sure that the many people who have come to us with issues are well aware of what's STT land - with respect.

Mr ELLIS - But more interesting to supply to the market because there is a range of players, whether it's Hydrowood or others that might potentially operate on lands that are not managed by STT. Certainly, there are large tracts of land that are no longer managed by STT. So, yes, there's a range of different options for supply.

CHAIR - I might give you a break for special species and go to Mr Hiscutt - or Ms Webb?

Ms WEBB - I will jump in with a few. I'm trying to get my head around knowing that you have contracts that are coming to an end in the next little while and will be renegotiated looking ahead. I'm trying to understand some of the concepts that are likely to be part of that; understanding the current situation that might then be being looked at to carry through.

In terms of the definition of high-quality sawlog at the moment for the purposes of meeting the legislated set minimum volume, are you able to give me the sources and quality of logs that are included in the definition currently?

Mr ELLIS - In the current definition for high-quality sawlogs -

Mr HICKEY - Essentially, it covers veneer (VQ), category 1 and 3.

Ms WEBB - In terms of - it might be more where are they being sourced from? If they're called high-quality logs, do they have to come from a particular source and not others, or is it more about each individual log and its quality, regardless of sourcing?

Mr HICKEY - That's correct, yes.

Ms WEBB - So it could come from a seeded regeneration area; it could come from a native uncleared area; it could come from a plantation?

Mr HICKEY - Yes. The current definitions are all around native logs, and we source those statewide. The quality of each of those is dictated by the forest types, and we harvest many forest types as part of our operations. Veneer quality is the most premium log; they tend to be large, they tend to be very white, and they're goodly sliced veneer as opposed to -

Ms WEBB - Then in terms of the supply of timber that meets that definition of high-quality sawlog as part of what you're calculating towards say, the legislative minimum volume, do you track proportionally where that has come from - where you have sourced it?

Mr HICKEY - Yes.

Ms WEBB - Are you able to give me a breakdown of that for the last couple of years, so I can understand what that mix looks like? Or do you report it somewhere that you can point me to, if it's already in the public domain?

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Mr de FÉGELY - The sustainable yield review will give you a broad outline of where our wood is and where it comes from, and by forest type. Traditionally, we've always been out of our natural forests. We are moving into a period now, a phase, where our plantation resource is maturing. Unfortunately, we can't talk about that too much because it's subject to probity; we're still at a commercial process there. That will become a major part of what we do.

We're also shifting towards regrowth forests and we're finding in our early regrowth work, particularly out of the Derwent, is showing quite positive signs for high-quality sawlogs coming from there as well. We're doing more work around our regrowth forests to see what quality of logs will come from there. Traditionally, we've divided into the north-west, the north-east and the south, and we have different volumes coming from each of those areas and that defines supply to our customers - about 14 in all of them.

Mr ELLIS - I'm sure Mr Hiscutt and I will agree - all the best logs come from the north-west, but anyway.

Ms WEBB - Well, you might say that. I might have some more questions. I'm going to think about that for a bit, then I might have some follow-ups, if that's okay.

Mr EDMUNDSD - Specifically on that - we're talking about table 23 in the annual report, and the shortfall from the legislated supply. I'm interested, and I think you touched on it, but I will ask another question, and we if we have to repeat ourselves, we just will. What were the key reasons why that didn't meet the legislative supply of 137,000 cubic metres?

Mr HICKEY - The legislative 137 is a make available, which we do in the three-year plan. If you look through the three-year plan, you can see year-on-year that there's 137,000 cubic metres of high-quality sawlog available. What we sell each year is dictated by our contracts and by what our customers are able to take. The difference this year between what our contracts are, which is less than the 137, and what we actually sold was purely around market conditions, and all customers had a softening of the market, or restrictions where they didn't take their full contractual value. So that's the difference.

Mr EDMUNDSD - So you're saying that your customers were fully subscribed and didn't want any more product, is it -

Mr HICKEY - They got what they were asking for.

Mr EDMUNDSD - So there wasn't a situation where they wanted more and couldn't get it? That's what I'm basically -

Mr HICKEY - On an individual basis, possibly; there's a variation from time to time and it depends on where and what conditions prevail, but essentially we met the demand from customers this year.

Mr EDMUNDSD - Sorry, can I just -

CHAIR - Yes, follow up on that.

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Mr EDMUNDS - Just to clear that up: so customers got everything they wanted, but also there's a situation where customers might have wanted more but didn't get it? I'm trying to balance -

Mr HICKEY - We have seasonal conditions which play on our ability to supply. During periods of hot weather, we shut down operations to avoid problems with fire; that can affect on a month what we might be able to supply to a customer. So you get variations during the year, but essentially the customers have been supplied with what they were asking for this year.

Mr EDMUNDS - Okay. Thanks for clearing that up.

Ms WEBB - Can I come back to that as well: so in terms of that legislated minimum, is there any purpose to having that, or does it actually free you up more if that doesn't sit there when you're looking ahead to future contracts?

Mr de FÉGELY - Minister.

Mr ELLIS - Yes. It's a very longstanding arrangement. I think it used to be 300,000 pre-TFA.

Mr de FÉGELY - It was, yes.

Mr ELLIS - It's certainly unusual. There's not a requirement for - I don't know what the appropriate tonnes of calamari would be, but you know, that sort of thing.

Ms WEBB - Sure. That's right.

Mr ELLIS - It's unusual. I mean we want to make sure that we're making timber available to the market because it serves a lot of purposes and those sort of things, but yes, I don't know if -

Ms WEBB - We do that quite successfully, by the sound of it, and I don't really - presumably, if we've got a legislated minimum and we're not meeting it, we're constantly not in compliance with our legislation. Wouldn't it be better for us not to have that situation and have the flexibility there?

Mr ELLIS - Yes, I think it was mentioned before that they meet it by making available 137,000 cubic metres of high-quality sawlogs. So that's consistent. I suppose the broader thing is about the requirement in legislation to make that available. It's certainly unusual. I don't know how many examples there are around the place. We've got no plans to change it, but certainly as there's a new mix of plantation resource coming online as well, there's different things that we will need to obviously consider. I don't know if there's anything further you want to -

Mr de FÉGELY - It's a great question. Essentially, the volume that is physically available in our forests is higher than what is economically available. The difference is that economic - driven by markets and what our customers want. Historically, they've never gone right to their limit because it's been too expensive. We sell on a mill-door basis: so we say if you want that extra volume, it will cost X, Y or Z; and they say, thank you, this will be enough.

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That's the way it's worked ever since I've been here, anyway. It's a system that works. As the minister says, it's unique to Tasmania. It hasn't happened in other states to the same degree.

Ms WEBB - Yes. It sounds like it's a sensible thing to be looking at changing. I can't see how it doesn't give you more flexibility looking ahead because there's going to be ways you can presumably set contracts up, as you come into this new round of contracts, that might be more flexible and advantageous to STT without that constraint.

Mr ELLIS - Yes. Then there's, I suppose, the question around certainty of supply to industry on the other end. So yes, it's -

Ms WEBB - But you can set that through your ministerial expectations, can't you, with this organisation? Or we can have that as an established mindset and still be delivering that for industry while also allowing STT to fully explore best outcomes for that organisation.

Mr ELLIS - Yes. Obviously, when I've had a range of discussions, Ms Webb, about whether something should be set by the minister or set by the parliament in a range of different areas, and certainly this has been set by the parliament.

Ms WEBB - Having said that, it's your government's decision to potentially do some legislative reform there and remove that constraint.

Mr ELLIS - We've got no plan for that.

Ms WEBB - It's a shame, given new contracts are there on the horizon.

Mr de FÉGELY - The other thing that's important, Ms Webb, is that the private sector owns a significant area of resource, the same area that we have, more or less. I'm talking the private, non-industrials, so this is the smaller companies, the land owners. Historically they've been only opportunistically in the marketplace. It would be my personal and professional wish to see a lot more activity. We've spoken to TasFarmers and [inaudible] Tasmania about how that might occur. They're doing some work on that, so there is an opportunity if we provide a foundational supply to the industry, then the private sector can provide a floating supply and more opportunistic, which would create some flexibility in the industry.

Mr ELLIS - It is certainly one of the areas that we've established. The key strategy in terms of growth for the timber industry is on the same available land. We need to be maximising our value-add on the island and unlocking private resource. We've got some really interesting tools in the toolkit in Tasmania. I think we're only one of two states that has the majority of timber supplied by private growers.

What works well is the industrial growers growing large-scale plantations and STT is the public timber provider and land manager. The area it would be fair to say that there are opportunities for growth and improvement is that smaller-scale landowner because there's a lot of forest out there. Much of that forest, as well, speaking at a high level, could also benefit from some of the environmental services that are performed by silviculture: environmental thinning in a lot of dry eucalypt forests actually enables a healthier forest to grow and supporting growers to understand that, to be able to access those tools, and bring that timber to market. There are certainly some really interesting opportunities.

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Ms WEBB - We should move along to others as well.

CHAIR - We do have plenty of time if you want to continue.

Mr EDMUND - Share it around.

Ms WEBB - Yes, share it around.

CHAIR - I feel like I'm flogging a dead horse, minister.

Mr ELLIS - We love special species. It's one of the most beautiful things about the Tasmanian timber industry, I have to agree.

CHAIR - It is. It's a shame we can't get more of it. I've found more questions on this. I really think that it deserves an answer.

As we've said, the situation around Huon pine is, to put it plainly, a completely avoidable debacle. First, STT's 2015 Huon pine resource assessment for Teepookana advised that there was 21-years' worth of supply remaining from already eroded accessible areas on the plateau. My understanding is that the Department of State Growth paid significant funding for this assessment. In 2020 - and correct me if I'm wrong - STT withdrew from Teepookana and ceased recovery of Huon pine without any industry consultation.

Can you tell me, first of all, why there was no industry consultation when it was believed there was going to be 21-years' worth of supply? Obviously STT hasn't been back. No revised resource assessments or advice are available on when Huon pine will be recovered in the future.

Mr ELLIS - Thanks, Chair. Teepookana Plateau is a very unusual and unique resource. I will pass to the STT team to talk further about why in particular -

CHAIR - Without industry consultation -

Mr ELLIS - More to give you an understanding of what's happened there. At a high level, the 2015 report provided an estimated resource based on best available information at the time. It was undertaken at a strategic level. But ground-based assessments - and I will pass shortly, because it's quite important - in subsequent years have resulted in many areas being discounted from future salvage works due to lack of resource.

I will pass to the team at STT to talk through Teepookana and some of its unique features.

CHAIR - I might make the last little - because there might be something else they want to say from some of the other comments that are here.

The second key contributing factor is the government's failure to implement a key recommendation from the former Ministerial Advisory Council on Forestry. The recommendation asked that the former minister establish a policy on the management and utilisation of Huon pine, with particular reference to the extraction of Huon pine remote regions. The former minister chose not to take up the recommendation from his MAC, and the government subsequently has no policy for the management or supply of this vital resource.

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Despite raising the Huon pine issue - and many people apparently have raised it time and time again - there's been no progress made in over three years and the future of the industry remains in limbo.

You can imagine from all these various groups that are involved, they have no idea what's happening. They come to us to see if we can get some answers that they actually can't get. I'm hopeful that you might be able to give me an answer. That the fact that the Ministerial Advisory Council recommended and was obviously not taken up.

Can you give me some advice for these - and as I said, it's not one group, it's a variety of groups that are concerned.

Mr ELLIS - Thanks, Chair, and happy to follow up on the second question about the management plan, et cetera. I will pass to the team from STT in the first -

Mr de FÉGELY - Thanks, minister.

CHAIR - and then I might leave special species alone for a while. I have some issues on superannuation.

Ms WEEDING - Right. That's not my area, so I don't have to worry about that one.

CHAIR - No. I might come back at this time.

Ms WEEDING - Sure, no problem at all. To step back to the resource assessment that we undertook, it was quite a considerable project that was undertaken back in 2015 and that involved assessing a whole range of tenure. Huon pine was a very small part of that. At that time we disclosed the challenges around assessing and determining the volumes of Huon pine that we might get from Teepookana Plateau. That was all part of the assessment that is incorporated in the report. Whilst that indicated that we had this potential 21-year supply of available resources, as I mentioned earlier, it's quite challenging to determine exactly how much you've got there.

Our team, subsequent to that in the ensuing years, went out and did some further assessments to look at the areas where we could potentially undertake further Huon pine salvage operations, and found it's actually quite an interesting synergy of forest types. Out on the plateau there's a lot of button grass, there's a lot of Huon pine forest, and there's also some myrtle forest out there. The initial assessment looked at all those areas, essentially determined what we obtained from a particular area and then extrapolated, because we had no clear view. There's no accurate way to assess it other than extrapolating across the landscape. The subsequent work found that where we actually have that myrtle forest area, the Huon pine disappears. So the Huon pine isn't growing in conjunction with those myrtle forest areas. We're able to relook at those assessments and determine that a lot of those areas don't have Huon pine or a potential Huon pine resource.

In addition, whilst from my recollection there was industry discussion around the challenges in terms of Teepookana Plateau, there's a couple of things that happened at the same time: one of which is the contractor that we had who routinely went up there and spent - it's about a month over summer that we can harvest up on the plateau because it's quite wet - the

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contractor that we had up there retired, and finding another contractor willing to do it was quite challenging in that sort of space. As you can imagine, it's quite a hard environment.

The other challenge that we have with the plateau is it's accessed via train. The railway, the Abt Railway, is how we get machines in and how we bring the wood out. There's been a range of challenges in ongoing management of that railway and being able to get the material in and out. The other challenge that we have, and not related, just to correct you around the -

CHAIR - No, that's fine. Happy to be corrected.

Ms WEEDING - No problem at all. It's not necessarily roaded and accessible. It was extrapolated across the whole plateau. The roading network that we have has largely been - the accessible coupes within the existing roading network have largely been exhausted. So the challenge we've got looking forward, if we were to do any further work up there, is how you might establish further road networks, the costs associated with that, and the challenges of getting that amount of material in.

The railway was established - and particularly there's a bridge that goes over the King River - after the roading network was put in place. So you can picture bringing gravel trucks in to establish that road would be near impossible using just the train to do that. So there's a range of challenges in terms of that ongoing - any further extrapolation or further work on Teepookana Plateau in that space.

CHAIR - Can you tell me, or could you give me some rationale for the increase in pricing for this timber by 400 per cent since 2020, considering that STT manages - well, I'm advised it does - STT manages the Huon pine stockpile, but utilises public community service obligation funding to do so, using community service obligation funding but increasing the pricing for the timber by 400 per cent since 2020?

Ms WEEDING - There's a few things that are tied into that. Our CSO obligation isn't specific to maintaining Huon pine stockpiles; it was in the past. In terms of our current CSO direction, it's around managing and maintaining permanent timber production zone land for multiple uses. So that's the aspect and that's the lens we apply. We spent about \$77,000 last year, mainly maintaining the Huon pine stockpile, and that came out of our revenue as opposed to CSO. It's not a CSO -

CHAIR - Hence the 400 per cent increase?

Ms WEEDING - No. The 400 per cent - or the increase in -

CHAIR - Since 2020, yes.

Ms WEEDING - in value of the Huon pine stockpile -

CHAIR - The price.

Ms WEEDING - The price, sorry - charged to customers around the Huon pine is essentially representative of market costs and market demand. We undertook a tender for a small amount of material a number of years ago. Whilst we haven't matched that price, it's set what the market price is for Huon pine, and that's what's reflective in our current costs. The

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reality is the previous costs and probably the current costs don't match the cost of extraction and the cost of operation in getting that wood out. But it does reflect the fact that it's a premium product and that it's an important product to sell.

CHAIR - The concern raised is that it makes projects unviable and traditional skills are being lost as a result, because people simply can't afford it.

Ms WEEDING - Our value of craft wood hasn't gone up 400 per cent. The vast majority of material and the vast majority of throughput and sales that we've had from a Huon pine perspective have been in craft wood, and the cost of that hasn't increased.

CHAIR - I think it's the high-quality category 4.

Ms WEEDING - It's a very small number of customers who are seeking the category 4 or the utility logs, so there's a combination of the two and they have been comfortable in paying that \$2500 a cubic metre.

CHAIR - Maybe not all of them, otherwise I wouldn't have the questions.

Mr HISCUIT - One question and then I was going to move into some specific questions on the Dial Range coupes as well after that, just to give a heads up. Before I move into that, I want to understand what STT's responsibilities are in regard to weed management, in particular in the Kentish region. The foxglove digitalis is a systemic problem in that area and I'm sure across other regions of the state as well. The locals are dealing with that on public land as close as they can, but basically, they look over a fence into STT land and see fields of it. What's STT's responsibility in that regard, and what could they do better? Through whoever needs to take that.

Mr de FÉGELY - Thanks. I will ask Greg to make a comment about that - or Suzette?

Ms WEEDING - We are aware of that. Certainly, that's come through as part of our broader land management strategy. It's a key challenge; weed control across - we have 812,000 hectares to manage. We do have from time-to-time declared weeds and other weeds that are identified to us and we undertake management strategies in that space to control them. We can't control everything, everywhere. In terms of engaging in that space, the challenge with foxglove is it is a prolific plant and it's on cross-tenure. What it needs is a broader integrated strategy across multiple tenures in order to have any chance of controlling it. The reality is, it's probably a very small chance of actually being able to be controlled - or you might be able to control it; whether you could eradicate it or not, is another story.

It's something we are aware of. We do undertake management actions. We do spend money every year on weed control programs, particularly around declared weeds and those that have key challenges. We are aware of this issue that's been raised with us around the foxglove.

Mr HISCUIT - I know the story is it gets to the fence and every year it comes a little bit further and everyone works it back, but they can't get past that fence to go for it. Is there any potential for public assistance in that regard? You could ask the Landcare groups and things like that to come onto STT land.

Ms WEEDING - We haven't specifically asked any of the Landcare groups -

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Mr HISCUIT - No, if they were to. Are there agreements -

Ms WEEDING - We're happy to engage with a whole range of stakeholders in that space. If there was an opportunity in that space, we would be more than happy to engage.

Ms WEBB - To follow that up, you mentioned you do invest regularly in weed control programs. What are they, what do they look like?

Ms WEEDING - It's going out and undertaking spraying activities or maybe physical removal of weeds.

Ms WEBB - So, actual teams on the ground doing that?

Ms WEEDING - On the ground, yes, absolutely.

Ms WEBB - How do you prioritise that?

Ms WEEDING - Declared weeds are our predominant focus, but it's really issues that come up -

Ms WEBB - In terms of locations around the state, because presumably you could poke a stick anywhere.

Ms WEEDING - All across the state. Our estate stretches from the north-west all the way down to the south, so we put in place management actions where needed. I mean, we prioritise them: so, declared weeds, issues for neighbours, where we might have notices - sometimes we will get notices through various authorities around controlling various things, so that's essentially the prioritisation that we put across it.

Ms WEBB - Can you give us what your budget has been, maybe in the last three years on weed control? Is that somewhere? It might be somewhere publicly reported, which you're welcome to point us to, as a point of reference in the *Hansard*, but if it's not publicly reported somewhere, perhaps you can just give us the numbers.

Mr de FÉGELY - The real challenge for any land manager, whether it's big farms or not, is to clear pest plants and animals, and it's the biggest impact we have on the environment. Again, this is not a unique Tasmanian thing. Every state I know is dealing with and trying to deal with it in some coordinated way.

Working on different techniques, you would be aware of the challenge of feral cats here and their impact on wildlife. Deer have become a major issue. They certainly have in New South Wales post the Black Summer bushfires. I don't know any jurisdiction that's really managing this well. It is an issue that the board's aware of and we're trying to prioritise what limited funds we have to bring in and work with others where we can.

As Suzette mentioned, we're more than welcome to work with other stakeholders to try to address some of these problems. We'd love to have more money. Every time I go out into the forest, I see something that shouldn't be there. We talk about it and the crew will come and get it. For instance, in the north-east, pampas grass is getting back into the forest, and you can see what damage it's done in New Zealand. We don't want it to get away here in Tasmania.

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Ms WEBB - I appreciate the sentiment you're expressing. I agree. It might not be a matter of there's more money to put to it, but coordination is probably a good opportunity.

I appreciate what you said about being receptive to that idea of coordinating or collaborating. Is there anything currently in place where you collaborate with other land tenure managers - whether that's in the public space or private land - about weed management or feral species management?

Mr de FÉGELY - I might ask Suzette where we - I know we have been working on it. Suzette, would you -

Ms WEEDING - My colleagues are informing me that we've been working in the past with stakeholders in the north-east around foxglove controls. We had a volunteer group doing some work in that space.

To answer your question, we absolutely do collaborate with other land managers, adjacent landowners, Parks and Wildlife, in how we manage particular things. As you say, there's no point in controlling up to a fence line and then you've got the issue on the other side. We absolutely undertake that collaboration on a whole range of things, whether it be weeds, whether it be illegal firewood collection, whether it be rubbish dumping. There's a whole suite of things that we engage with other stakeholders in that space.

In terms of your question on the dollars. I have that question out with the team, so I will come back to it if that's okay.

Ms WEBB - Yes, thank you.

Mr HISCUYT - Thank you. As I indicated a few - particularly questions on coupe DL011C in the Dial Range, which I imagine you are aware of. In relation to the communication and stakeholder engagement policy, the question is, what level of stakeholder input would be needed to - could that inform whether you do or don't log that coupe, or is it more to do with what information you are trying to gather about it? For example, if you had enough genuine feedback that was against logging in a particular area, would that influence that decision or is that engagement just about information gathering for -

Mr de FÉGELY - The minister has met with the Central Coast Council more recently than I have, but I've met with them a number of weeks ago.

Mr HISCUYT - This is not necessarily from council's perspective, but from the public of the Central Coast perspective.

Mr ELLIS - Obviously there's a range of different views about forestry and a lot of people who are supportive of forestry in our part of the world, Mr Hiscutt, as is across Tasmania. I suppose that's the thing: it's about managing the land for multiple uses. Forestry, mining and public recreation have successfully coexisted in public production forests and other land tenures in the Dial Range area for many years. Interestingly enough, the Dial Range management plan developed by Parks talks about forestry operations in the Dial Range going back to the mid 1800s.

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One of the interesting things about some of the infrastructure there - they go through the range of different operators - but it talks about while the tramway formation remains that was used to remove the logs in the past, there's actually little evidence of the early forestry operations today. In many ways, I suppose, that talks to the quality of our forestry operations in Tasmania even back then.

You think about how much more is known about silviculture these days. The Dial Range itself is about 6000 hectares, and Sustainable Timber Tasmania is responsible for the management of about 300 hectares, so a small section to the far south. That's only about 5 per cent of the total area. Any forestry activities also support the multiple use of the Dial Range area to provide - or can provide - support for the multiple-use value of the Dial Range area for local communities and the economy. I will pass to the team at STT if there's anything further to update around consultation processes.

Mr HICKEY - Areas like the Dial Range are integral to our wood supply. They were the areas that were set aside for us as permanent timber production zone land under the Tas Forest Agreement. They form an integral part. We understand and listen to stakeholders and appreciate their views. But, if we were to move away from every coupe that has stakeholder concerns, we wouldn't be able to meet our legislative obligations or our contractual obligations. So we do take into consideration what the stakeholders have to say; if there is some, I guess, imperatives to not harvest, we consider that, but essentially these are all key elements and key areas in making our supply to industry.

Mr HISCUYT - To understand that, the community stakeholder engagement is not about determining whether or not the public does or does not support that. It's about informing logging of -

Mr HICKEY - If there are things that we can accommodate through stakeholder engagement in terms of how we go about, or where we go about, we will consider that.

Mr HISCUYT - Yes. If there's evidence or something that they can provide that says, yes -

Mr ELLIS - I suppose in many ways, the parliament has decided that these lands will be part of the harvesting schedule. As Greg mentioned before, these were ones that remained on the harvesting schedule even after the previous Labor-Greens government took a huge amount of land off the harvesting schedule. So it's been agreed to be harvested as part of that process, and we obviously consult, but it's important to also recognise the parliamentary decision there.

Mr HISCUYT - No, that's fine, it was just what that stakeholder engagement will do. Are there any plans to harvest any of the 179 - apparently - other identified coupes within the Dial Range in the next five years? I know there's nothing in the next three-year plan, but do you only go out to the three years, or do you have any further, long-term plans that you could indicate?

Mr HICKEY - No. There's only the coupes of consideration really in the three-year plan, and there were only two coupes that we were looking at in the Dial Range area.

Mr HISCUYT - That's alright. You don't have a longer-range forecast than that at this -

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Mr HICKEY - Not that we're focused on operationally, no.

Mr HISCUYT - That's alright. Sorry, just trying -

Mr de FÉGELY - There could be some confusion, Mr Hiscutt, around FPPF forest, I think, of which there is quite considerable areas in the Dial Range. That, of course, is not part of our remit, therefore some people are concerned about that, but that's not part of any of our working plans and won't be, unless something changes.

Mr HISCUYT - I'm not sure if it's publicly-allowed information, but do you know what sort of value that particular - the logs coming out of that particular coupe would generate, or what the harvesting of that coupe would generate for STT or the Tasmanian government?

Mr de FÉGELY - I don't, but I don't know whether -

Mr ELLIS - Certainly every coupe that we harvest is an important driver for our economy. It's contractors, it's forest scientists, it's the regeneration teams, it's our sawmillers and all the people who work in the value chain, the transport industry and a range of others. It has a big flow-on effect, the timber industry, and that's the important thing to note. Every stick that we don't harvest in Tasmania will be one that - because we're a net importer of timber as a country, we're a huge, forested country with a small population, we're actually a net importer of timber - and so it's either going to come from native forests in Europe and travel halfway around the world, despite them having a smaller landmass than us, or it's going to come from places that can't manage their forests as well as we do here in Tasmania.

One of the other things that has certainly been noted by members of the community - and I was at Penguin Fire Brigade only last week - about the fire risk in the Dial Range, because it's an area of a lot of bush and standing timber. Certainly, I think the fact that STT is one of our three key fire agencies that has a presence in the Dial Range is actually positive, because our forest firefighters through STT certainly provide extraordinary value in making sure that these forests have a future, not just as lines on a map but healthy living forests that don't get burnt out as well.

Mr HISCUYT - I will come back to fire in a moment. As part of planning for coupes, is the dollar value a consideration - is it a number that is given, or is it just we have wood there, we will get out what we can, and we will figure out what it will be?

Mr HICKEY - There is a value that we calculate - it's not available - but we do make an economic assessment on each coupe in terms of whether we can economically harvest it or not. Ultimately, it is part of the supply for our sawmillers. There's a whole lot of things going in to determining whether or not we will harvest a coupe.

Mr HISCUYT - Thank you.

Ms WEBB - Can I ask a quick follow-up on that? Again, it is trying to get my head around certain concepts. When you have a plan about what price you're likely to get for wood from a particular area or just overall, what's the unit that you use for that? I'm trying to get my head around, for example, new concepts for me like stumpage, as opposed to ride-side, as opposed to mill-gate. How do you quantify these things?

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Mr HISCUIT - Did you make them up?

Ms WEBB - No, I didn't, I have notes on them.

Mr ELLIS - This is an extremely useful question, Ms Webb.

Ms WEBB - I have notes on them. I'm trying to get my head around it and to understand different implications depending on how you price - how do you quantify it for your own purposes?

Mr HICKEY - So, lots of different concepts. The value of the individual log is stumpage. How we sell to customers is generally on mill-door basis. In the contracts we have with customers there is a fixed price that has been negotiated back when the contracts started that's escalated each year, and that's the price at which we sell to them. Each individual product has a different price and attracts a different mill-door; that's most of our sales. We also do sell stumpage sales, where we charge the value of the log to the customer, they do all the harvesting and look after their own costs.

Mr ELLIS - What was the other one you said? Ride-side was it?

Ms WEBB - Ride-side, apparently. Price paid for a log at a landing -

Mr ELLIS - I'm very interested to know the answer to this as well.

Ms WEBB - I can tell you my notes say price paid for a log at a landing, when loaded onto a truck to take it away.

Mr de FÉGELY - It's at the break, essentially, so that's in-forest, but the harvesting has been done.

Ms WEBB - That didn't sound like that's something you utilise?

Mr de FÉGELY - No, so the tree has been felled and processed at the dump and then it would be loaded on a truck, and the point when it's loaded on the truck is the point of purchase.

Ms WEBB - But you said you use stumpage or you use the mill -

Mr HICKEY - They're the predominant ones.

Ms WEBB - You didn't say mill-gate, you said something else - mill-something else.

Mr de FÉGELY - Mill-door.

Ms WEBB - Mill-door. There you go.

Mr de FÉGELY - There's a few of them. We could spend a while on it but I'm sure you'd be bored very quickly.

Ms WEBB - The message I got is that it varies to some extent depending on the contracts you're talking about?

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Mr de FÉGELY - It does, yes.

Ms WEBB - Is that in any way publicly visible? Obviously, I know details of contracts are not going to be able to be all publicly visible, but the way you price things, does that become publicly visible once you've locked contracts in?

Mr HICKEY - No, the contracts are all commercial-in-confidence.

Mr de FÉGELY - We have a number of regrowth operations. A lot of those are stumpage sales. The bulk of our high-quality sawlogs are all mill-door sales, so we will look at mill-door and that's for efficiency of operation, so harvest and transport.

Years ago - and I'm talking probably 25 to 30 years ago - a lot of sales were stumpage, and everyone thought well, that was a simple risk allocation, but what was happening was that there was a big inefficiency in haulage, there were too many trucks on the road. The contractors, if they had a volume that allowed them to do two-and-a-half loads a day into a sawmill, don't have a truck capacity for three loads. You add that across the state and you have an inefficiency in haulage. We went to mill-door sales to improve the haulage and we have a very good relationship, particularly with our larger contractors like Walkden and Orana, that manage the harvest and haulage really well.

Ms WEBB - Thank you.

Mr HISCUYT - Thank you. I said I was coming back to bushfire: it is claimed, and I'm happy for you to refute or otherwise, that regenerating forests are more prone to high-severity bushfires than mature forests. Has that risk been taken into consideration with logging in those sorts of areas? Is that a consideration that's taken into your thoughts when deciding where and what to log?

Mr ELLIS - Thanks, Mr Hiscutt. I will pass to the team at STT shortly. For overall context, STT is one of the three key fire agencies the state. They're tasked with fighting bushfires across multiple tenures, as well as working the production forest. Protecting Tasmania's communities, forests and infrastructure from bushfire remains a core responsibility. It's a year-round focus and we see significant investment in training, equipment, skills and technology. As we mentioned before, over 70 per cent of STT staff are trained and available for fire management and firefighting roles. Their work in native forests is actually key in being able to manage fire in our forests, and ensure that they have a sustainable future. That's the business model that effectively pays for that forest firefighting. I will pass to the team at STT.

Mr de FÉGELY - Thanks, minister. I will provide some comments: that view about increasing inflammability is the view of a couple researchers. I don't prescribe to it. I don't believe that's the case, certainly not at landscape level. Work undertaken by a number of Australia's foremost fire researchers, the late Kevin Tolhurst, who worked out of the University of Melbourne, took pains to explain that that's not the impact. You may get a localised impact, but at a landscape level in a major fire it won't be a major impact. This I've found talking - again, because checking my own understanding - with operational foresters who are also firefighters, they don't see that as a major problem.

What we can do, though, particularly around communities, is do more active management, which I'd love to be able to do. Again, it's a bit like the weed control. If we thin

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and manage the regrowth so that you have a grassy understorey, then the opportunity for crown fires to come out of forests is dramatically reduced. Therefore you can protect communities by thinning forests actively. Also, we found that bigger trees in those thinned forests are more resilient to fire, so as a climate change mitigant, it's a real possibility. We're also seeing - this is a bit anecdotal, but Melbourne university suggesting biodiversity is better in these thinned forests. Again, a work in progress, but as a concept, I don't believe it has any real support amongst operational fire managers.

Mr HISCUYT - Thank you for the answer to the question. In general, when a coupe is planned to be logged, do you try to engage local contractors, and in a specific sense, will there be any Central Coast engaged contractors to do this work, or will it potentially come from further afield? The economic growth that's produced by doing this, what benefit - does it come back to the actual region where it's taken from?

Mr HICKEY - We supply wood from three regions: north-west, north-east and south. We have contractors who are local to those regions, so it's not necessarily local to Central Coast, but it is to the north-west region.

Mr HISCUYT - To the region, yes.

Mr HICKEY - The contractor who will be harvesting coupes in the north-west is a north-west regional contractor, and the revenues they make out of their harvesting activities get spent back in north-western communities.

Mr HISCUYT - Thank you. Slightly changing the tone a little bit, but particularly in the north-west, as I understand it, there used to be more local presence with STT there, and that used to foster a bit more engagement with the organisation. Is that something you would potentially look to in the future, to regain that sort of community presence in that space, or are there any strategic activities in that space?

Mr de FÉGELY - We'd love to do it, and we used to do it significantly back in the days of the Forestry Commission. Again, it comes down to direction from our minister. Our charter is to be financially sustainable. We were very clear when STT was set up that the minister and the government said that you will be in the black, and that wasn't even necessarily a written direction, but it was a very strong ask and we're determined to do that.

I'm very proud to say that we put together eight years of profit. The challenge, though, one of our big costs is employees. So having more extension employees is a cost at the moment that the business can't carry, particularly in the current market downturn, although we do - and I would commend our communications team led by Carmen Windsor and we have Abbey Lewtas up in the north-west and others who do a great job to cover for a lot of people. We obviously can't cover every issue but we are trying, and we do support them as an integral part of our operations.

Mr HISCUYT - They delivered a great presentation at the Central Coast Probus Club recently.

Mr de FÉGELY - Oh, very good.

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Mr ELLIS - There's also, of course, the Camdale north-west space and Smithton. Importantly, a lot of our people are out in the field. They're driving around, they're stopping at a range of roadhouses around the place and all that sort of stuff, getting their lunch, getting tyres, working with local contractors. You also see the big presence often in the downstream processors. Your mills - obviously there are the processors of Burnie, and then mills at Smithton and Somerset, for example. The spread is broad and vast, not necessarily an office in every town anymore, but that reflects the higher degree of mobility of our people right across the state.

Mr HISCUTT - I certainly think it probably gave a little bit of stability to the community in regard to what's going on. Through the minister instead of through others, perhaps consider some recommendation towards that into the future.

Mr ELLIS - I fully appreciate where you're coming from, Mr Hiscutt. As the chair's mentioned before, government's been really strong to forestry that we need to ensure that this is a financially sustainable business. The fact that we've been able to deliver eight profits in a row, particularly after some very challenging times with restructures and the Tasmanian forest agreement, I think that's a real credit to the business. The future of forestry will be built on being environmentally sustainable and financially sustainable.

Mr HISCUTT - The other side of that is also socially sustainable, which is what this comes to.

Mr ELLIS - Yes, for sure.

Mr HISCUTT - I will leave it as a comment.

Mr ELLIS - Yes.

Mr de FÉGELY - Thank you. I think we supported 541 Tasmanian businesses last year, and we monitor that every year. I think we've got close to 1000 contractors - maybe not quite as much as that, but it was a lot when we started to add it up and we look forward to using those every year.

Mr HISCUTT - I appreciate the answers.

CHAIR - Mr Gaffney and then we will go to Ms Webb.

Mr GAFFNEY - Thank you. I've just got something on your workforce numbers. You mentioned earlier that you had 77 firefighters within the SST.

Multiple speakers - Seventy-seven per cent.

Mr GAFFNEY - Could you tell me the number of people you have who work for SST?

Mr de FÉGELY - About 171 full-time equivalents, I think.

Mr GAFFNEY - Gender balance?

Mr de FÉGELY - Female is 32 per cent.

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Mr GAFFNEY - Okay, regional balance? Is that north-west, north and south?

Mr de FÉGELY - We can. I don't have that on the top of my head, but I do think we've got it split up and -

Mr ELLIS - You were doing so well.

Mr de FÉGELY - Yes, sorry, thank you.

Mr GAFFNEY - You can come back with those. Is it a flexible and movable workforce? For example, if you're doing an operation in the north, do you take people from the south or north-west there? Or do you have enough people in the north who would cover that operation? How does that work out?

Mr HICKEY - Generally, with the structure that we have, the regional staff manage the operations in those particular regions. There is occasionally, at times, when for leave reasons or something like that, or if we've got people on campaign fires, that we do take people across boundaries to assist. Generally the management is done within the region.

Mr GAFFNEY - What about gender balance within leadership positions?

Ms WEBB - Is this about right?

Mr de FÉGELY - Our board is 60 per cent female.

Ms WEBB - No, I was just looking at the table.

Mr de FÉGELY - Oh, sorry. Yes. Suzette is in our general management team. The rest of the management team is male. Oh, sorry. Apologies. We just promoted a Head of People, Linda Crawford. So we now have two females in our general management team.

Mr GAFFNEY - Where you may recognise you have retirements or people moving and you identify a potential lack - not skills - but of qualified people in certain areas, how do you manage that? Do you have apprenticeships and how many apprentices do you have?

Mr de FÉGELY - Not so much use the word apprentice, but we are training a significant number of young staff. We were struggling to get qualified forest managers, so we initiated a cadet program about three or four years ago and we do have numbers on those, which I can give you, Mr Gaffney. From memory, we spent about \$275,000 on training last year. We have about 1600 training requests from staff - which is a lot considering we have 171 staff - but about 1500 of those were met. Some of the short-term training might be fire training, but they do range across graduate certificate to graduate diploma in forestry, so we do use the TAFE system.

We placed one of our younger foresters on an exchange program overseas. Sean Boucher, spent time offshore, which is an international exchange program between Australia, New Zealand, Canada and the United Kingdom, where they can experience forest management and issues in other parts of the world. We feel that that's really worth putting effort into. We have a number of programs, and we also support the Forestry Education Foundation.

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We can always do more, but I'm very pleased that we started our cadet program again. My interaction with our younger staff members and the feedback I get is that they greatly appreciate it and I'm hoping that some of them will go on to university.

Mr GAFFNEY - When that young chap comes back from overseas, what's the expectation of the organisation? Does he get to present his work, or does he have to provide a document or whatever at a conference, or how do you expand that?

Mr de FÉGELY - Reading my mind, I was thinking about that the other day to ask him. I have already asked him can you come and present to the board on your experience, because we will be asked if we wish to do it again this year. It's organised through Forestry Australia, which is the professional association for forest managers and growers around Australia. I note that both New Zealand and the United Kingdom have advertised for theirs; we did it fairly differently in Australia because Sustainable Timber Tasmania and Forestry Corporation of New South Wales put their hand up to say we'd like to put one of our staff members up to test this out. In the future, it will probably become a competitive process between other forest managers, but at the moment, ourselves and New South Wales are the two that are promoting it.

Mr ELLIS - Can I just give a quick shout-out to a couple of our trainees as well. We actually won Trainee of the Year, this year with Melody Reihana; and the Emerging Leaders, Gareth Tempest and the very appropriately named, Matt Wood.

Mr GAFFNEY - Don't laugh at your own jokes.

Mr ELLIS - I was actually laughing at one of your jokes, obviously.

Mr GAFFNEY - Alright. Exit interviews - you obviously have people who, for a number of reasons, will exit whether they go to the mainland or relocate or whatever. Do you do exit interviews with them, and what are the results from those interviews? Is it that they're satisfied with their job, but they need to get elsewhere; or they're dissatisfied with their work, and if they are dissatisfied, how do you, as an organisation, deal with that?

Mr HICKEY - Yes, we do exit interviews. Some people are leaving for different opportunities, and they will provide feedback in terms of their experience with us and what the opportunity is that they're going to. Some, in the current circumstances, is because they find an opportunity with a higher rate of pay. We have the whole suite of issues that most employers deal with as far as staff churn goes.

Mr de FÉGELY - An average tenure for staff is about 12, nearly 13 years, which is great, and we had five staff this year complete 40 years.

Mr GAFFNEY - What's the average age of the workforce?

Mr de FÉGELY - That's a good question.

Ms WEEDING - I will see if the team can come through with that.

Mr EDMUND - Do you have to cut them in half and count the rings?

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Mr GAFFNEY - This group is lucky that you're here. Just -

Ms WEEDING - Sorry, to clarify your question there: my team clarifies that promotion is the main reason that people are leaving the organisation, so they've just got other opportunities elsewhere.

Mr GAFFNEY - Thank you. My last lot of questions is around - I noticed the eagle - 37,000 hectares of -

Mr HICKEY - Wedge-tailed eagles survey?

Mr GAFFNEY - Yes, and sea eagles and that sort of thing, and 16 new nests have been found.

Mr HICKEY - Yes.

Mr GAFFNEY - And there are 144 revisited. If a nest becomes inactive, in the fact that there's no birds for how many years, does that mean then you can go into that area and log, or is that 10-hectare zone in perpetuity?

Ms WEEDING - Yes. Through you, minister: the 10-hectare reserve is maintained in perpetuity. The key aspect around that is, are there still suitable nesting trees in that area?

Mr GAFFNEY - Okay.

Ms WEEDING - So we go out, we recheck nests. Birds can come back and refurbish nests over time. A nest that might not have been active for five or six years might have, in the following year, birds come in. So because it's been a previous successful nest site, or a nest site where they've actually constructed - whether they've actually raised chicks or not is another story - then it has potential for future use. If the tree remains, then the nest - or the tree or suitable trees within that reserve remains - then the nest reserve absolutely stays in situ.

Mr GAFFNEY - Yes, and it says, though, you can do minimal activity there, not to disturb. It doesn't say it's an exclusive zone. I think your notes say there can be 'minimal work'. So if there was a special tree, there's nothing there that you can do?

Ms WEEDING - Not in the reserves, so not in the 10-hectare reserve. We don't do any harvesting within the 10-hectare reserve around the nest.

Mr GAFFNEY - Okay.

Ms WEEDING - That's an absolute maintain: within the 500 metres or one-kilometre line of sight, we have operational breeding season exclusion protocols that we apply, so this is through the Forest Practices Authority requirements. That means that we can't undertake forestry activities within those zones near an eagle nest until we assess the nest - whether the nest is active or not. There is a program we run. The breeding season runs from 1 July to the end of January, and within that timeframe, the first few months, there's no view as to whether the nest is active or not, so all nests are treated as active. Once there's chicks established on the nest, bird activity, then we can go in and assess whether the nest is being used. That dictates whether the operational activity exclusion zones apply for the rest of the breeding season, or

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whether they're not needed for that breeding season. However, the 10-hectare reserve is always maintained.

Mr GAFFNEY - Okay. My last question is interesting. It's hard to know whether the 16 new nests is from new areas that you've assessed, or have the 16 new nests been found in areas that you've already assessed before - do you know what I mean? Is it new nests in new areas or are they new nests in old areas that you've already found? So the breeding program is - it might have been more active.

Ms WEEDING - It's a combination thereof. Some will be new nests that the birds have constructed in that period of time - sorry, in areas where we've previously searched. We do have timeframes for which we have to refresh searches. Searches aren't just we search once and then we're right forever; if we come back in, I think it's two years later - but I'd have to double check that, it's either two or three years - then we've got to go back and out and do another search. So we get the helicopter out there and search the area to see whether any new nests are constructed in that period of time.

There's a range of reasons why birds will build new nests: sometimes it's disturbance based, so for some reason they've been unsuccessful at a previous nest site. They will build a new nest. Others, it could be juveniles building a new nest site. It's a whole range of reasons as to why they would they do that. From a landscape perspective, we see eagles regularly out and around our activities and our land management actions. We're very conscious of where they are and we're conscious of managing them effectively, and that is through maintaining their nest sites and maintaining opportunities for them in the landscape.

Mr GAFFNEY - Thank you. Thank you, Chair.

Ms WEBB - Thank you. I'm thinking again about the contracts that are coming to an end, and then you're looking ahead to be renegotiating new contracts; my understanding is that previously - or the current contracts that are coming to the end were very long term, like 20- or 30-year contracts. Would it be fair to assume that there's quite a different context now for this whole industry, that we wouldn't be looking at contracts again that were such lengthy contracts that are being renegotiated? Are we expecting that we're going to be having a shorter period of time encompassed by a contract? I presume it's not too difficult to anticipate that that might be the case, just given a very different context in the world.

Mr ELLIS - At a high level, the government's been keen to make sure that there is long-term certainty for people, for the forest, for contractors and downstream processors. If you think about the nature of forest growing, it takes a long time and so it's important for everyone in the value chain to have a high degree of certainty.

Obviously we're working through two contracting processes. There are the native contracts which are due to expire in 2027. STT has been engaging extensively with customers since 2023, and they're seeking to establish new native forest log supply contracts with the terms set to expire in 2040. Then we're working through the current process on the plantation log sale as well.

Similarly, we will be looking to a longer-term certainty for the customers as well as for STT in the process. There are probity arrangements that we need to be conscious of, but I will pass to team at STT to see what we can share.

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Mr de FÉGELY - Thank you. We have the opportunity, after significant investment by the people of Tasmania, and our pruned and thinned *Eucalyptus nitens* plantation, we're bringing those to market. That's part of a probity commercial process that hopefully we will have concluded in the new year. I'm not part of that process. I can't tell you much more detail about it and I won't ask my colleagues to discuss that for obvious reasons. That process is in train and all our customers were given opportunity - and it was very clear in the expressions of interest that that would be Tasmanian-based processing.

The management team is working through with our current customers over new log contracts from our natural forests, albeit at lower volumes because of the way in which the TFA was structured, which was built around a yield out to 2027 and not really beyond. This is a challenge for us, hence one of the reasons why we're very keen to - every cloud has a silver lining so that the private sector may well be able to fill that volume.

The overall volumes, though, if you look at what's coming through on our plantation resource, there is significant volume there as well. Therefore, theoretically, our customers can manage a mix of natural and plantation logs.

We're seeing some innovation in the state in terms of processing. Some of our customers are looking at different markets using different processing techniques. Neville Smith is one of the biggest pallet producers now here in Tasmania using plantation wood, which up until probably five years ago people thought you couldn't do, but they're doing that well. Virtually, as most people will know, any freight in Australia now moves around on a wooden pallet. The reason we use wood is because it is recyclable and it's durable and all supply chains are basically worked for it. They are being produced in big numbers in Tasmania.

We're seeing interesting work done through Western Junction, through the sister business in Victoria, in laminated construction. If you have a look at the extension to the Tasman, all those beams in that new hotel complex, they're imported. We can make those here in Australia and hardwood is actually a better product. There's a bit of R&D we've got to do to get it right but we're not far away. We've seen it in Launceston and, as you would know, in St Luke's building, the University of Tasmania building, a wonderful building. Launceston is the centre of excellence in that regard. Greg Nolan's team and the team up there is doing some really good work and I expect to see more of that.

Part of our process of bringing this wood to market is to try to ensure that that incentive is there for people to actually innovate and develop some of these products which are going to be really good for the future.

Ms WEBB - My question was focused around that idea of length of contract and given that we're in an innovative space, plus then there's the other side of it, the context of climate change and those factors coming into play as well. That's why I was looking for an indication. Does that steer us towards no longer going down the path of 20- or 30-year contracts in this space? To allow for more flexibility to a changing context.

Mr ELLIS - Probably on the contrary side of that, though, is when you look at innovation, it requires big capital investments. So, a lot of these mills that are making the investments in planned technology and training for their people as well, need to invest significant sums in that. That then means longer payback periods of time. Having wood certainty for a longer cycle means that they can make some of those investments, rather than

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having very simple processing which is not as capital intensive but delivers a lesser valuating return. Getting the balance right with innovation and certainty is important, but in some ways having a longer-term horizon and being able to partner with businesses for the long-term also enables those businesses to be able to deliver greater value add. I will pass to Rob and the team from STT.

Mr de FÉGELY - Thank you. The contracts are one part of the solution to getting that innovation. The thing that's really important to most processes is to ensure that there is wood available - so if we don't provide it, is there another option for them? We are really hopeful that our market-based approach, that we will encourage other landowners so that the Tasmanian community is not doing all the heavy lifting in terms of wood supply. Our supply from natural forest is obviously limited. We don't know at the moment the viability of whether or not pruned and thinned *Eucalyptus nitens* will be long-term, because of the amount of work that we have to put into actually thinning early and pruning these trees. Is that something we need to do - that's still a work in progress.

The private sector tends to be more fleet of foot, more innovative, more flexible, some of them attract more wealth - have more financial - and will do things because like farmers, they do things because they want to do them. They have much more flexibility than we have. If we can provide that foundation, as I mentioned earlier, and the private sector is encouraged to be part of that. The current harvest from private native forests from non-industrial growers is very low, so there's latent potential there.

The large industrial growers are also looking at options for domestic processing. They are very interested in what the outcome of our expression of interest will be because if they decided - and there is a process that will be able to move and process their wood, such as Forico and Reliance, then Tasmania can be a real hub of wood processing.

Mr HISCUTT - Obviously, there's a national context to this as well, with relevant media recently talking about ending that across the nation. How would that affect contracts that we may enter into? A follow on from that sort of question that we have -

Mr ELLIS - If we shut down native forestry here in Tasmania it would be a disaster. It would be an absolute disaster for a whole range of different reasons. Even if you look on the financials - I think it was recently reported the shutdown of native forestry in Victoria has already cost them \$1.5 billion. We had a mini experience of this in Tasmania in 2012-ish under the TFA, with a massive cost to our economy, to jobs, to people. It's all the long-term effects as well, Mr Hiscutt, around forest health, fire management, lack of recreational access to all these areas where previously forestry provides those services, then the ongoing financial impact as well. We spoke before about a \$1.2 billion contribution from forestry to the economy and about 5700 jobs. It's a big contributor and it would have a big negative impact.

Mr HISCUTT - How are you managing that risk? Is it wait and see if it happens and then decide what to do? Or do you have contingencies or what planning have you done for that eventuality that could -

Mr ELLIS - I would contest that it's an eventuality -

Mr HISCUTT - No, sorry, I misspoke.

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Mr ELLIS - and to be honest, if you look at trends around the world - and personally, I don't like to go into hypotheticals too much - but one of the things that I will say is it stands out to me that most people when you ask them the kind of forest that they would like to see would say mixed species natural forests with natural water management and providing high-quality timber. That looks like our forests. I think in Australia, we've had a conversation here that doesn't actually look like a lot of countries around the world. A lot of countries - if you look to Europe, most of the forestry in many countries, is native forest for the reasons that we mentioned before regarding all the values that it helps provide. Plantation, as well, is important. It has an important role in our business in STT. It has an important role in our economy in Tasmania. The mix is what is widely regarded internationally as the best approach.

Even the Intergovernmental Panel on Climate Change says quite clearly a mixture of native forestry, plantation forestry and conservation leads to the best overall outcomes. When you look at a carbon-constrained century, the fact is that we have this incredible material that can sequester carbon naturally and also provide the products that we need in building homes, fibre for a plastic-free future, things that sequester carbon naturally.

The sense that I get, and obviously we're talking about hypotheticals, but the hypothetical sense that I get is that there will be a change in view. Sadly, we see - as we've seen in some states that have made these decisions - catastrophic bushfires wiping out the forests that people hoped different lines on maps would protect. They were looking for the capability of our forest firefighters that was there in times gone by and is not there in the future. There will be salient lessons. I think there's a hugely bright future for forestry.

Certainly, the federal government and both federal parties are supportive of a future for native forestry, and we welcome that. We want to make sure that we hold them to that. I think the future is very bright and I think the public, as we go through experiments in removing native forestry from the way we manage landscape, is starting to see the negative impacts that come from that in other states.

I will pass to the team from STT if they want to wax lyrical on our love of native forestry. No, but if there's anything more specifically that they did want to add in this context.

Mr HISCUIT - I am happy for the other questions that are more important to go.

Mr ELLIS - One that I do have, Suzette has a response to questions on notice regarding weed management cost and employee agent tenure.

Ms WEEDING - No problem at all. We spent about \$120,000 on weed control. That's on an annual basis.

Ms WEBB - That's a consistent amount across -

Ms WEEDING - It depends on the issues that come up and where we spend the money. But it's in that realm.

In terms of our mean employee and age, it's 56.2.

Mr GAFFNEY - I was going to clarify that. I was actually more interested in the outdoor workforce, the median age of that, but you may not be able to do that.

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Ms WEEDING - We don't have that breakdown specifically.

Mr GAFFNEY - I was wondering more about that cohort of workers?

Ms WEBB - That number is interesting, 56.

Ms WEEDING - Our average tenure is about 13 years.

Ms WEBB - Do you have a succession plan for 10 years' time from now when most of your workforce will retire?

Ms WEEDING - Something we're very conscious of as an organisation is our ageing workforce, and that's part of where our cadet program comes in. In terms of our cadets, we've got three cadets currently with the organisation, one in each region, so we're looking to bring through the younger workforce, the younger cohort, in order to provide that succession. We have a mentoring program that we run as well internally, which provides for sharing those skill sets from those mature employees through to our younger cohort that comes through.

Mr GAFFNEY - Perhaps this is not something you can provide this year, but something I think would be interesting to have is the median age of your indoor workforce and your outdoor because it's the outdoor ones that you probably want to have at less than 56. Therefore, for next year, perhaps; I'm not sure whether you can do that.

Ms WEEDING - We don't have those numbers to hand, but I'm happy to see - I agree with you entirely. It's an important part of our workforce planning looking forward. Absolutely.

Mr de FÉGELY - From a board's perspective, you can look at that two ways. You can say it's very old, but we like to think it is also a reasonable indication that STT is a good place to work. People stay, and that is a credit to everybody involved.

Ms WEBB - Thank you. Just to clarify, I certainly wasn't disparaging older workers.

Mr de FÉGELY - Thank you.

Ms WEBB - I would be considered one myself. It's just that it requires planning, for workforce management as you look ahead.

Mr de FÉGELY - Absolutely.

Mr ELLIS - That is a big part of the diversity approach from STT as well. In terms of forestry companies, STT has been a leader - because in the past we just missed out on too many great foresters. So yes, I think it's a real credit over recent years.

Mr EDMUNDS - Thank you, Chair. Has STT acquired the shed structure previously occupied by Ta Ann on the Southwood site?

Mr ELLIS - I will pass to the team from STT.

Mr de FÉGELY - Sure. Greg, would you like to comment on that? Suzette, sorry. It's been a long process and a bit of a saga, that one, because it got caught up in the 2019 bushfires

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and they were one of our tenants at the time, and their challenges to try to resolve all of that, so it's been a long thing.

Ms WEEDING - So yes, the answer is the shed is owned by STT.

Mr EDMUNDSD - Can I ask the specifics of the transaction and what the annual holding cost is of the shed?

Mr BROOKWELL - We can get you the holding costs and have a look. I don't have that to hand. In terms of the specifics around the transaction, that was an arrangement with one of the lessees to wrap up certain commercial matters in terms of their contract and the occupation of the site.

Mr EDMUNDSD - Okay. What's the future intended use of this shared asset by STT?

Ms WEEDING - We're still working through with the previous holder of the shed. There's an asset that they've got ownership of that's still within that shed structure that still needs to be removed from the site. That was part of the transaction that we undertook with that person. Subsequent to that, we will be looking at an EOI-type process to see what interested proponents we might have. We certainly have a couple that have expressed interest in the shed and using the shed. It is a wood-processing site and facility, so it will be in that sort of realm, but we're looking to work through a process.

Mr EDMUNDSD - Considering the time, would you like me to put that question on notice?

Mr BROOKWELL - In terms of the holding cost?

Mr EDMUNDSD - Yes.

Mr BROOKWELL - I will see what we can do.

Ms WEBB - Thank you. We haven't asked much about finances, so I better squeeze one in before we finish up, particularly because, when we read the Auditor-General's report, the *Financial Statements of State Entities Report*, and what appears to be the case is that you've done a lot of investing. So you've been using reserves and you've drawn down on assets to purchase plant and equipment, I believe. Obviously there's a plan in that, but now you're at a fairly low level in terms of the hay in your barn, I suppose - or there's probably a suitable forestry analogy to that.

Mr de FÉGELY - The wood in the woodshed.

Ms WEBB - The wood in the woodshed. Would you like to give us an explanation as to where we are at in a cycle of things, and will you be building your cash reserves and your assets back up again, in that sense, so that you're perhaps not as exposed as you are right at this moment, with not too much there?

Mr de FÉGELY - I will hand over to Chris Brookwell in a minute. We have two investment funds within STT: one is to cover our defined benefits liability superannuation

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insurance; when STT was formed, we realised we had a significant liability and exposure to defined benefits. We don't - that scheme stopped -

Ms WEBB - Because you had a workforce coming over from being public servants under that scheme.

Mr de FÉGELY - Yes, and that scheme, even though it closed in 1994, I think from memory, we still have a number of employees in that scheme.

Ms WEBB - They might be in your north of 56 by now.

Mr de FÉGELY - Well, they most likely are. So we needed to cover that. So we have taken what we think is a prudent approach to investing to cover that liability.

The second one is a risk-management investment fund. Following the 2019 bushfires, it became almost impossible to buy insurance for our plantations. They're obviously highly valuable because of - our \$200 million valuation, the bulk of that's our plantations. The cost of insurance - what we could - well, sorry, what we could procure was just a ridiculous price for premiums, and everyone suffered that challenge. We spoke to the Treasury and the minister at the time and said, why don't we do some self-insurance here.

Ms WEBB - Self-insure, yes.

Mr de FÉGELY - We took advice from Indifour, a consulting firm, on what we thought was going to be, based on history, our maximum loss, and what would that cover. We have put around \$5 million - Chris, correct me if I'm wrong - into a risk-management fund which is designed to allow us - and because our plantation resource is quite fragmented, fragmentation is your friend in a bushfire, it's highly unlikely that we'd lose all of them.

Ms WEBB - They won't go all at once. Sure.

Mr de FÉGELY - So we would only lose part of them, yes.

Mr BROOKWELL - It's a good question. We generated operating cash flows last year of \$6.5 million; that reduced this year to \$1.5 million, but the underlying profitability was about the same, it was \$0.7 million in both years. The reason our cash flow generation was down this year was because we paid about \$4 million in creditors. There's a working capital movement that meant that our cash flow from operations was lower than last year on an equivalent profitability.

We have the same borrowing facilities with TASCORP, we didn't have to access those at the end of the year, we didn't have to increase those. Really, in terms of the outlook, we're looking to settle the contracts, be very clear around the profile of wood supply and cost, as you rightly say, just increase the cash buffers again.

CHAIR - I did have one question with probably follow-on, regarding superannuation. If you could provide, minister, some more information about the currently unfunded superannuation liability for STT?

Mr ELLIS - Thank you, Chair, I will pass over.

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Mr BROOKWELL - Thanks, for the question. The liability is \$25.4 million; it did increase this year and that was driven by a reduction in the discount rate which was assessed and calculated by most of the actuary. The liability is a net liability; so, the gross liability is about \$30 million, and there's some plan assets in there as well - that's about \$5.5 million. Those assets are managed by RBF.

STT is responsible for the net liability of \$25 million. As the Chair said, two years ago the board decided to put aside funds to start meeting that emerging liability on a partial basis. We have approximately \$8.5 million invested, which is about a third of the fund. Once we settle, the next corporate plan will settle in how we look to increase that investment fund to meet the liabilities that are coming through.

The average age - we have 23 employees; it's about 13 per cent of the head count who are still members of RBF and still accruing for active service. They have an average age of 56 years as well, so we have an average remaining service life of about 10 years left.

CHAIR - Thank you. So, STT would be fulfilling its superannuation obligation to its employees?

Mr BROOKWELL - Absolutely, and that's obviously separate to the superannuation guarantee charge that we pay for employees who aren't part of that scheme.

CHAIR - The superannuation is paid by STT quarterly? Or how's it -

Mr de FÉGELY - Every pay.

CHAIR - Okay, right.

Mr BROOKWELL - So, the rules change around that; we pay very promptly.

CHAIR - Thank you very much. Do we have any burning last questions, members? I know we could all find lots of questions.

Ms WEBB - I'm interested, do you have an accreditation scheme for ensuring that your logging and carting contractors are demonstrably compliant with the conditions that you put on them and expect of them? If you do have that accreditation scheme, do you have provisions for removing non-compliant contractors if they're not meeting your expectations and conditions?

Mr HICKEY - There is no accreditation scheme. There are criteria within their contracts and other legal obligations that they have outside the activity for us, which we expect them to comply. We review them annually as part of the Forestry Fair Contract Code that we do an annual review with them, and part of that is performance and obligations. We review that at least on an annual basis. If we have contractors who are non-compliant we do work with them to improve their performance and to become compliant again, rather than taking the stick approach. There are clauses in the contract -

Ms WEBB - Sure. But you could, if you needed to?

Mr HICKEY - If we needed to, we could.

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CHAIR - Thank you. It being 3.59 p.m., it is probably a good time to say thank you very much for all the answers you've given, and for coming along to the committee.

I thank my committee as well and our assistants.

WITNESSES - Thank you.

The witnesses withdrew.

The committee adjourned at 3.59 p.m.

APPENDIX 4 – MINUTES OF FINAL MEETING

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE 'B'

MINUTES

FRIDAY 16 JANUARY 2026

At 10:00 am in Committee Room 2, Parliament House, Hobart and via Teams.

1. Members Present

Ms *Armitage* (Chair)

Mr *Gaffney*

Mr *Hiscutt*

2. Apologies

Ms *Webb*

3. Absent

Mr *Edmunds*

4. Staff Present

Mr *James Reynolds* (Co-Secretary)

5. Minutes

The Minutes of the Meeting held on Monday 24 November 2025 and Tuesday 25 November 2025 were confirmed as a true and accurate record.

6. Correspondence

Inwards

1. Letter dated 1 December 2025 (received 1 December 2025) from the Minister for Infrastructure and Transport, the Hon Kerry Vincent MLC attaching responses to questions taken on notice regarding Tasmanian Ports Corporation Pty Ltd.

Attachments –

- (a) Responses to questions taken on notice
- (b) TasPorts *Climate Risk Assessment and Adaptation Interim Report 2024*.

2. Letter dated 2 December 2025 (received 2 December 2025) from the Minister for Business, Industry and Resources, the Hon Felix Ellis MP providing responses to questions taken on notice regarding Sustainable Timber Tasmania.

The correspondence was **RECEIVED** and **ENDORSED**.

7. Draft Report Deliberations

Pursuant to Standing Order 195, the Committee considered the Draft Report with Minutes of Proceedings, Order of the Council, Transcripts of Proceedings and responses to questions taken on notice.

The Committee **RESOLVED** that -

The Cover Page stand part of the Report.

The Contents Page, as amended, stand part of the Report.

The Minutes of the Meeting held on Monday 24 November 2025 stand part of the Report.

The Minutes of the meeting held on Tuesday 25 November 2025 stand part of the report.

Appendix 1 stand part of the Report.

Appendix 2 stand part of the Report.

Appendix 3 stand part of the Report.

The Committee **RESOLVED** that the Draft Report with Minutes of Proceedings, Order of the Council, Transcripts of Proceedings and responses to question taken on notice be **ADOPTED** as the Final Report of the Committee.

8. Other Business

The Committee **RESOLVED** that the minutes of the final meeting be approved by the Chair and attached to the Report.

The Committee **RESOLVED** that Ms *Webb* present the Report to the President out of session on 28 January 2026

9. Adjournment

At 10:09 am the Committee adjourned *sine die*.

DATE

2 December 2025

CONFIRMED



CHAIR