



**PARLIAMENT OF TASMANIA**

**TRANSCRIPT**

**LEGISLATIVE COUNCIL**

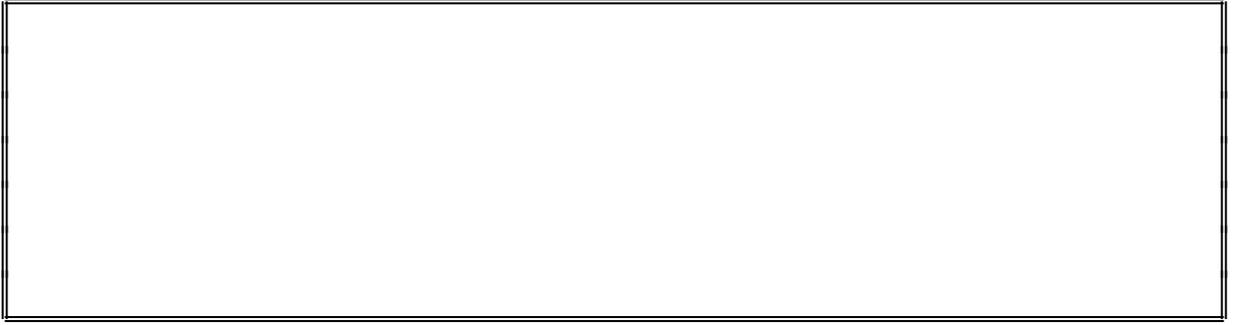
**GOVERNMENT BUSINESS SCRUTINY COMMITTEE A**

**Tasmanian Ports Corporation Pty Ltd**

**Thursday 23 November 2023**

**MEMBERS**

Hon Luke Edmunds MLC;  
Hon Ruth Forrest MLC (Chair);  
Hon Mike Gaffney MLC;  
Hon Dean Harriss MLC; and  
Hon Sarah Lovell MLC



**WITNESSES IN ATTENDANCE**

**Hon Michael Ferguson MP**, Deputy Premier, Treasurer, Minister for Infrastructure and Transport and Minister for Planning

**Mr Stephen Bradford**                      Chair

**Mr Anthony Donald**                      Chief Executive Officer

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## **The committee met at 12.10 p.m.**

**CHAIR** - Thank you for appearing before the Legislative Council Scrutiny Committee for TasPorts. I invite you to introduce the members of your team and for you to make an opening statement if you wish and hand to your chair, whoever wishes to make a statement.

**Mr FERGUSON** - Thank you, Chair, and good afternoon to your committee.

I introduce you to hopefully well-known faces. To my right, the Chair of TasPorts, Mr Stephen Bradford, and the CEO, Mr Anthony Donald, and I have a short opening statement as well.

As an island state, TasPorts plays a really important role in keeping Tasmania's communities and our economy moving. In the past year, the company was committed to ensuring the highest standards of maritime safety and facilitating vital trade for the benefit of our island state.

TasPorts once again reported a strong financial result for the 2023 financial year with improved profits reflected alongside ongoing investment into organisational and infrastructure resilience. I'm pleased to advise the committee that TasPorts delivered its best financial performance in more than a decade with a net profit after tax of \$14.2 million. This pleasing performance was driven by a range of factors, including the welcome return of cruise ships to Tasmania in late 2022 with more than 120 vessel visits to our ports and the cessation and then renegotiation of outdated commercial contracts.

In addition, following the recommencement of business and tourist travel, TasPorts oversaw a 134 per cent increase in commercial flights at Devonport. In parallel, the business noted a record 611 901 twenty-foot equivalent units (TEUs) transiting the organisation's multi-port system during the year with total freight volumes remaining steady, a throughput of 14.5 million tonnes during the period, on par with recent years' volumes. Importantly, this strong result has enabled TasPorts to reinvest in infrastructure and assets around the state.

To strengthen the state's vital multi-port network, TasPorts undertook significant work, including more than \$20 million on remediation and renewal of existing port and marine infrastructure and a further \$41.9 million on new infrastructure. This includes investment as part of Quaylink at Devonport, the largest investment in port infrastructure in Tasmania in more than a quarter of a century. This \$241 million infrastructure project incorporates leading edge port technology and will deliver the capacity Tasmania needs for the future.

Along with planning for major redevelopments at Bell Bay, Hobart and Burnie, these projects and initiatives are transforming the port landscape in Tasmania, responding to both community and global demand.

The company's commitment to the King Island community continued following the 2022 restructure of the Bass Island Line shipping service into a weekly return service from Devonport to the Port of Grassy. This move to a renewed schedule has proven its worth. I am pleased to advise the committee that Bass Island Line has returned its most favourable financial year results since incorporation and, at the same time, an increase of almost 1500 TEU carried by the *John Duigan* during the financial year.

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Over the year, 2626 recorded vessel visits were safely managed across the State, a real demonstration of the way that the TasPorts business is keeping Tasmania's communities and economy moving. I close by thanking the chair and the board, together with the CEO and the executive team for their efforts, and we're here to answer your questions.

**CHAIR** - The Chair didn't want to make an opening statement? No.

**Mr BRADFORD** - No. Happy to go straight to your question.

**CHAIR** - I will go to the QuayLink being the major capital expenditure undertaking. Just in terms of that, I understand that - according to your annual report - there's a \$286 million loan facility. This project alone costs \$240 million, and we know that costs are rising and interest rates are going up as well - there has been a recent increase again - could you talk us through the project in terms of the breakdown of costs in terms of consultant costs associated with it, the actual material costs and how you see the costs being contained in this project?

**Mr FERGUSON** - Thanks. I'm sure you won't be surprised on operational questions I will ask the team to answer from the Chair or the CEO.

**Mr BRADFORD** - The \$240 million budget is within our capabilities to repay in the strength of the balance sheet and is currently trending on budget, it's on budget and we think it will continue that way. Of concern to me is the national economy, full employment, rising interest rates, that doesn't affect our project as much as others but costs of constructions going up, but we're on target.

**Mr DONALD** - Certainly in terms of schedule and final out term costs, we have absolutely no concerns.

**CHAIR** - Can we have a breakdown of these?

**Mr DONALD** - I might have to take some advice in relation to whether or not we can provide a breakdown. There's multiple packages of work, so what we've done is we've broken the project, the physical infrastructural project into multiple parts and we did that to optimise local content opportunities and in doing so, TasPorts is taking what's described to be almost like a managing contractor and responsibility over multiple packages of work.

The first package of work is associated with Terminal 3. Terminal 3 is for TT-Line, that's nearing completion, and we've completed our dredging work and the fifty-first and last pile is being driven today for the new wharf for TT-Line. You can imagine the project budget is split between the multiple work packages for infrastructure costs. That's informed by Quantity Surveyors who are skilled in understanding material costs, labour costs and methodologies used to construct. There's some allowances in our risk and contingency for variations, in a cost escalation which is ultimately tested through competitive procurement processes. At this point in time our project budget remains intact and we don't see any material risks that will be exceeding the budget.

**CHAIR** - Minister, how many packages of work did the CEO say there is?

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**Mr FERGUSON** - Chair, can I just offer the point right up front, I don't see the reason why you can't just go and ask any of these people direct questions and I'm happy just to release that, unless I feel the need otherwise, please just feel free.

**CHAIR** - Thank you.

**Mr DONALD** - I think we've broken the work down into five main parcels of work, and again, that was to optimise local content.

**CHAIR** - Can you list those five parcels of work?

**Mr DONALD** - Yes, I'll get the team just to clarify for me what they are.

**CHAIR** - That would be helpful.

**Mr BRADFORD** - The level of work that we did preparing the budget was quite extensive. Mr Donald is a civil engineer by training, and so construction business is his key forte, and if it makes sense to the committee, the contingency is to P90 level of accuracy, which is very high. I can give you an example, the reason Commonwealth Games in Victoria when they did the first budget might have been a P10.

**CHAIR** - That's why it's not happening?

**Mr BRADFORD** - Yes.

**Mr DONALD** - P90 refers to what we call a Monte Carlo risk assessment, which is undertaken to test the resilience of the budget, so we then determine a probability of success and that's reflective of the P90, which is a high degree of confidence. In determining the Monte Carlo assessment, one of the inputs is a detailed risk assessment and that's used as a statistical input to derive and to quantify what a risk allocation or a contingency in terms of budget provision might be. Then our budget team as part of their role is to make sure they mitigate against those risks.

**Mr BRADFORD** - We don't work based on government funding, our funding comes from the people that use what we build. So, if you don't understand your construction costs and delivery costs, working out in advance two major tenancy agreements for 30 years is fraught with danger. That's why we spend so much time on the budget, so to say we are on budget now -

**CHAIR** - I am not questioning you, I'm just trying to understand.

**Mr BRADFORD** - For me, I'm not surprised we are on budget, that's where I'm expecting to be.

**Mr FERGUSON** - So you've asked Chair for the five parcels of work, I'm sure we can have that to you during the session and we'll get it soon as we can and the CEO did indicate -

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**CHAIR** - We will come back to this matter then, because my questions flow from some of those. Any other questions on Qube? We don't require that.

**Mr GAFFNEY** - You talk about market volatility and I am interested in how you look at that over 30-year period? You talk about you have your ducks in a row and that sort of thing. And then market volatility is interesting with the use of different products, whether it is mining or forestry or whatever. I was surprised with the term 'Monte Carlo' because I think that is bit of a gamble; a bit of word association there. How do you do that or how you work that out? Do you see what I mean?

**Mr BRADFORD** - The tenancy contracts with TT-Line and SeaRoad - I won't disclose their contents - but they are basically underpinned by a rent per square metre - so, the amount of land they use, they pay so much per annum rent. They typically pay based on throughput across the wharf. We make a projection on Tasmania's coastal growth going forward 30 years. They would do the same. So, if we got our forecast wrong we will fall short of revenue - or the opposite - but as it balances out over 30 years it usually is pretty close. We might find the project life would be paid for effectively in 27 years or 34 years. Project costs are a factor but also trade fluctuations.

**Mr DONALD** - And the resilience in that comes from multiple commodities - that provides appropriate protection and greater comfort over that longer period of time. Ports are long-term infrastructure assets. We make daily decisions from an operational perspective but we make long-term infrastructure asset decisions.

**Mr GAFFNEY** - Okay, for example - and stay with me here. There was a decrease in the wood chips by about 2 per cent, so that obviously impacts on where you store the material, I suppose. If that goes down by another 2 per cent because of the movement away from woodchips, when do you make a decision to say, 'Okay, we need to do something here because we need the area or we do not need to have as much room' - those sorts of things? When does it become a determining factor about what is going to happen in the next 20 years over a downfall in certain product, whether it be mining or forestry or whatever?

**Mr BRADFORD** - Those commodities which take wharf space typically sign a long-term agreement; and those are on short-term. I believe in loyalty. Those who are with us now, we keep supporting because things change and their businesses change. We make annual adjustments to price, and then we consider the future development of the wharf. What is going to happen to that product?

**Mr GAFFNEY** - Say, for example, mining. They take a certain space and they pay for that, and then they realise that they don't need that space now so they don't want to have to pay for x amount of space. How do they negotiate, or what do they do to inform you, that they want to have a reassessment of what they are 'renting' - for want of a better term.

**Mr DONALD** - That particular example we would facilitate through common user facility arrangements. There would be an agreed rate per tonne. It would not necessarily be via a tenancy agreement where they have a committed footprint of land; although we are open to that, commercially. If we go down a path that looks at those sorts of arrangements, then we would expect a minimum volume commitment that then flows through to the monthly payments to us for a defined period of time.

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To answer the question more broadly, our team has direct relationships with our customers and part of that engagement is to understand the next month, next three months and next twelve months of projected freight volumes. We have very good open dialogue with our customers and they provide us with that input, which is very important to us because that helps us to monitor our cashflow and our financial projections. We also monitor and assess our confidence and success in those relationships by the predictability of what is being communicated to us and that gives us confidence. If we have an engagement with a customer 'abc', they tell us that over the next 12 months our freight volumes are going to go from 'x to y', and generally they do. It is helpful for us to know that, and that continues to build confidence and trust.

Our customers are not all that dissimilar to us in that they have large infrastructure costs; labour costs; they are exposed to the value of the Australian dollar - particularly if it is in international exports more so than us; and global tensions, as we have seen in the past, can have an impact on volume movements, particularly in the forestry sector.

**CHAIR** - In terms of freight, pages 22 and 23 of your annual report talk about the top 20 commodities by tonnage and the top 20 commodities by TEU. Is there any crossover in these? I know that some things shift both in TEUs and in bulk. Is page 22 just bulk, or are we capturing some of the TEU freight?.

**Mr DONALD** - Yes, there would be crossover.

**CHAIR** - I found it a little bit hard to figure out what was going on in some of it. Can you tell which of the factors in the TEU also appear in the commodities?

**Mr DONALD** - Logs would be one example. Historically, we have seen examples of logs being moved in TEUs - in containers - but also in bulk shipments, certainly out of Hobart.

**Ms FORREST** - Just with logs, 1544 TEUs would appear in the tonnage for logs. Is that right?

**Mr DONALD** - Yes.

**CHAIR** - Where things are only shipped in TEUs, do you they appear in the tonnage overall anywhere?

**Mr DONALD** - Yes.

**Mr BRADFORD** - Logs are unique. Their export method is determined by the current overseas imbalance of containers. If the imbalance is coming down and the freight rates are going up, they go bulk. When the opposite happens, the shipowners want to move empties out of the capital city ports and put logs in them.

**Mr DONALD** - It also might be the ultimate destination of the logs. There are parts in Asia where they have a preference for logs in containers because they come straight off the

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ship, straight on a truck and straight to the factory or warehouse where they will be converted into furniture.

**CHAIR** - As opposed to being loaded onto a truck and then shifted as logs rather than as a container.

**Mr GAFFNEY** - It was a significant 27 per cent decrease in the 2022 volumes of the logs bulk container. If that happened again, next year, how does that impact you?

**Mr DONALD** - The short answer is it does impact us, and it our job to be monitor all of those fluctuations and make decisions based on all of the data around all of the commodities. Again, it is long-term decisions that we make. Probably one of the best examples I can give, the forestry one is a good one but the cessation of cruises for a period of time during COVID-19, that was material in terms of commercial impact.

**Mr GAFFNEY** - Is there any responsibility on TasPorts about the chain of command of forestry products? I am thinking of native logs. Whatever comes in a container, do you have to identify that, write it down and that sort of thing?

**Mr DONALD** - We have a joint responsibility in Hobart with our joint venture (JV) partner Qube, under the Southern Export Terminal Arrangement. Part of that arrangement is that Qube undertakes the grading, stamping and photographing of the logs, and the registering of them. I am not an expert in that detail; Qube does that on behalf of the JV. Other than that we do not have a role in it.

**Mr BRADFORD** - An example of what you were asking about earlier, how do you handle fluctuating demands? When forest products returned to Hobart, each individual producer wanted the wharf. That would have meant two would have missed out totally, so we formed a joint venture company and run it common user. All users can use it and it works quite successfully.

**Mr GAFFNEY** - Is that Southern Exports? Yes. You're 50 per cent shareholders of Southern Exports with Qube?

**Mr BRADFORD** - Yes.

**Mr GAFFNEY** - It was 2016 that came into existence. Why was Qube chosen? Did you go out to the market for that? How do you evaluate that relationship?

**Mr BRADFORD** - We would have, but you needed an expert at the front of the Australian waterfront and Qube immediately come to mind, because they operate in other Tasmanian ports. We could have gone to others. I don't know if we did.

**Mr DONALD** - I don't believe it was a competitive process. It was just based on the presence and capability understood in Qube. There was a requirement to put something in place pretty quickly. Qube had a presence and within the State of Tasmania, they had the expertise. There were some concerns from TasPorts about the confidence in the freight volumes being proposed. Initially, we were advised we needed to provide a terminal with capacity for somewhere between 500 000 and 1 million tonnes per hour, which is a significant

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volume. With Qube, we designed a terminal on a footprint of around 18 000 square metres. As the chairman indicated, it was a common use facility put in place with low capital investment from both parties.

Qube already had infrastructure and labour available in Tasmania. We bought the land and the wharf and then we both created the joint venture company. We both took a little bit of risk. We didn't have to invest in much capital to get the operation up and running. Whilst I remain optimistic and hopefully, one day we get to freight volumes that were forecast, the highest volume per annum is around 220 000 tonnes per annum, which demonstrates the decisions we made early on a low capital cost start-up were the right ones.

**Mr BRADFORD** - You've also brought to us two important things, a quality CEO and board who has a strong focus on OH&S, the safety of the workforce and the protection of the environment and being a publicly listed company where that was a mantra, that was the selling point.

**Mr GAFFNEY** - If you have a 50 per cent shareholding with Qube in Southern Exports, it's imperative or good for you guys to have an inflow of product coming through there to keep it up and therefore -

**CHAIR** - Value.

**Mr GAFFNEY** - the value of, yes, therefore is there a relationship between TasPorts and the state Government with supply of forestry logs and whatever? How does that work? Do you get any funding at all from state and federal government?

**Mr DONALD** - No, it's an independent commercial joint venture.

**Mr GAFFNEY** - You're comfortable with the relationship you have with Qube and Southern Exports?

**Mr DONALD** - Yes.

**Mr GAFFNEY** - And that is going well.

**Mr BRADFORD** - I wish there was more volume, but -

**Mr DONALD** - Yes, love to see more volume.

**CHAIR** - You have led right to where I wanted to go next. Within the safety and culture pages 16 and 17 of the annual report, you talk about your culture and safety is on the opposite page talking about physical but also psychological safety. Before I go to those notes, I would like to say it is really disappointing while you have workforce statistics, there is no gender breakdown. There is no acknowledgement of the workforce in terms of gender or a gender pay gap. We just had TasNetworks here report both the gender breakdown of their workforce and the gender pay gap. Can you provide a gender workforce table to us right from top to bottom?

**Mr DONALD** - Yes. Sure can.

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**CHAIR** - Now?

**Mr DONALD** - If we can take that on notice and we'll get that data shortly.

**CHAIR** - Okay. We will come back to that, then. Do you calculate the gender pay gap across the business?

**Mr DONALD** - That hasn't been assessed and in the process of being assessed.

**CHAIR** - You're just starting to do that work?

**Mr DONALD** - Yes.

**CHAIR** - Will that be reported in next year's annual report?

**Mr BRADFORD** - Probably. People on the enterprise agreement are paid according to the -

**CHAIR** - No, I'm not talking about that. I'm talking about what the gender pay gap is. Do you understand how that works across the business?

**Mr BRADFORD** - Yes, for the executive contracts understand, yes.

**CHAIR** - That's why I need the breakdown across the workforce.

**Mr DONALD** - I am happy to provide it. In the ports and marine area, it's something all ports and marine businesses across the country are conscious of improving the percentage of female employees in the workforce.

**Mr BRADFORD** - Port towage workers, pilotage workers, are heavily biased towards men and we work with others to bring women into the industry but it's a problem at recruitment - that's the difficult point. In our project work, it is straightforward but pilotage and towage is difficult.

**CHAIR** - I understand the challenges. Let's talk about in terms of senior management, what's your breakdown across senior manager, how many senior managers do you have?

**Mr DONALD** - We have six executive team members and the gender split is 50/50. At the board level we have five directors - three directors are female -

**CHAIR** - That's reported, your gender breakdown.

**Mr DONALD** - and as we move through the organisation, percentages drop off.

**CHAIR** - I understand pilots and people like that are very highly paid because of the nature of the work they do - I am not criticising that - they are male dominated, this is why it's important to understand the gender pay gap in the business. I hope we will see the

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breakdown and gender pay gap reported next year. It is pretty much standard across so many organisations these days.

To safety, you have a three-year health and safety strategic plan launched during this period, which I assume is this reporting period. Four critical objectives to prevent fatalities. I would have hoped it would prevent injuries and fatalities in the workplace, not just fatalities - that is pretty much the end of the line.

**Mr DONALD** - There is a focus on fatalities but it is all safety related.

**CHAIR** - Sure.

Lead safe outcomes create a psychologically healthy and safe workplace.

How was that being assessed and what have you done in that regard?

**Mr DONALD** - Sorry, how was what being assessed?

**CHAIR** - You said you created a 'psychologically healthy and safe workplace' and further down you have -

In line with this and the implement of ISO 45003 standard psychological health and safety at work guidelines for managing psychosocial risks, TasPorts has partnered with Menzies Institute to conduct a 12-month program where they have been providing a gap analysis ...

and on it goes, so can you tell us where that is at and what is happening?

**Mr DONALD** - That work is nearing completion which is really positive and something where we continue to be proactive in this area. It's certainly an issue and a concern, not just in our business, but more broadly. We continue to see evidence of increasing psychosocial challenges and issues in the workplace. As an employer, we need to get better and we need to continue to work hard to understand how we can support our people through some of those challenging periods, some of which are triggered and a result of external influences to business, but nonetheless we always demonstrate care. We have rolled out mental first aid training across our organisation and continue to do so. We're looking forward to the completion of the work with the Menzies Institute.

**Ms LOVELL** - When you say, 'the completion of the work with the Menzies Institute', what exactly are they doing? Is that a survey? Is it a program?

**Mr DONALD** - That is a program we're working collaboratively with them on.

**Ms LOVELL** - To do what? What is the program?

**Mr DONALD** - Essentially, it will provide us with guidance on what are the valuable activities we can continue to do within the workplace that provide appropriate levels of protection, care and support proactively, but also in a response to the demonstration of ill-health.

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**Ms LOVELL** - As part of that program, has there been an assessment of the psychosocial risks in the workplace?

**Mr DONALD** - Yes.

**Ms LOVELL** - Also, how was that undertaken?

**Mr DONALD** - It was a detailed risk assessment.

**Ms LOVELL** - Was it a survey, was it working groups?

**Mr DONALD** - It was a combination of surveys and interviews, working groups.

**Ms LOVELL** - Okay. And when you say it's nearing completion, what time line are you looking at to have the results of that?

**Mr DONALD** - I'm expecting by Christmas we'll have something.

**Ms LOVELL** - Okay.

**Mr DONALD** - One of our executives had a briefing in a meeting with them, I think last week. So, it's nearing completion. I look forward to the end of that work, the end of the work in terms of the report, but it'll be the start of the next evolution of what we need to continue to upskill ourselves in.

**Ms LOVELL** - That was my next question. Yes.

**Mr DONALD** - One of the things that we need to continue to demonstrate capability in is assessing when someone needs more help than we can provide. We've certainly had a number of examples over the past few years where we've had staff members who, sadly, need more help than we can provide. That doesn't mean we stop caring for them; it means that we provide them with appropriate care and support. Sometimes that's to delicately and professionally help them to leave TasPorts in a really dignified manner, and sometimes those individuals come to their own conclusion in that regard. Sometimes they need help and support and it's a challenging activity that we need to confront.

**Ms LOVELL** - Sorry, help and support in regard to making the decision to leave the organisation?

**Mr DONALD** - Sometimes, yes.

**Ms LOVELL** - What about people who don't want to leave the organisation, who might wish to stay? I'm assuming you have Employee Assistance Programs and things in place.

**Mr DONALD** - Yes, we have a very successful Employee Assistance Program that is very well-used. Over the last three years, clearly, it's all confidential so we certainly don't get to see names, but we get to see the hours that are spent and the invoices, and the cost

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continues to grow. Is that a concern from a financial perspective? Absolutely not. Is it a concern because people are out there in our business, but across the community are needing more and more help? Sometimes that's perhaps because of the working environment; I'd say that sometimes that's a contributing factor, but it's often because of a prior or external influence that they're under.

**CHAIR** - How do you make that assessment that it's because of a prior or external influence? You had a lot of staff turnover, that's been widely documented. There's been increasing access to your EAP, and no-one knows - and rightly shouldn't - who accesses that. How do you make the statement you just did that it's more related to external matters than?

**Mr DONALD** - I didn't say more. I said it can be more associated. We're not talking about a large number of people within the organisation. We're talking about a small number of people. But -

**CHAIR** - A small number of people who seek EAP, or leave the business? What are we talking about?

**Mr DONALD** - No, I don't want to speculate in terms of numbers. But to answer your question, how do we know whether or not it's triggered by a workplace matter or through an external influence? Well, the first source of that data is the person and what they believe to be the trigger. More often than not, we get honesty in that regard. We treat all of those matters confidentially. I know that you're not suggesting otherwise, but -

**CHAIR** - No I'm not, no.

**Mr DONALD** - But it can be devastating, isn't it? Sad.

**CHAIR** - Yes, if it's something that's in the - TasPorts has absolutely zero control of what happens in a person's life outside of work, other than if they're so stressed at work they're taking it home and creating problems for themselves in their home or in the community, more broadly. But if you're seeing an increasing access of EAP, you're seeing a high staff turnover, isn't there a need for you to look more closely at that?

**Mr DONALD** - I think that's probably some of the work that'll come out of the Menzies Institute work, from a detailed perspective-

**CHAIR** - Tell me how that -

**Mr DONALD** - The high turnover is not necessarily associated with mental wellbeing.

**CHAIR** - No, I'm not suggesting it is. I'm saying that these things together warrant further investigation, one would think. The Menzies Institute is doing some work. I think Sarah asked for some more detail on the work they're doing -

**Mr DONALD** - The Menzies Institute is doing some work for us, but we're equally doing work in this space. Part of our briefing to our board this week was on this issue. We are bringing back further information to our board about the next steps. What is the current status? What are the actions that we are taking?

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**Ms LOVELL** - Can you talk us through that?

**Mr DONALD** - It's about understanding the current status but also our objective as to adopt and I will talk from a risk management perspective. I don't mean to sound insincere about it but there are two different types of approaches with respect to risk management. There is the traditional Australian standard approach, which forces or challenges people to think about the 'as low as reasonably practicable approach'. With respect to mental wellness and safety more generally at TasPorts, our approach is to adopt the 'so far as is reasonably practicable approach', which is very different. It's what more can we do in this space to protect and support our people so that they can be the best that they can be for the benefit of TasPorts.

**Ms LOVELL** - What are some of those things that you are doing?

**Mr DONALD** - We have a very active health and wellbeing committee. We support briefings with respect to mental wellness; a lot of it is about information. There's the healthy eating program, exercise programs, gym memberships. We had a briefing from St Lukes Health in our board room and yesterday in Launceston from Mr Alastair Lynch, a former AFL Brisbane Lions player talking about wellbeing. There is a range of activities, from sunspot checks to coaching and support, but there's more and more that can be done in this space.

Whether you describe it as a developing industry or an area of developing capability, it is certainly an area of developing capability in our organisation. We don't profess to be experts in the space at all, but we want to learn from others about how to approach it appropriately and professionally. One of our values is care and we always demonstrate care for our people but we also need to demonstrate care for TasPorts.

**Ms LOVELL** - Can I go back to before you were talking about staff who had made the decision to leave. That was in relation to this conversation we are having about psychosocial risks and health and wellbeing. You said some staff make that decision themselves and other staff are helped to make that decision. How many staff have made that decision in the past 12 months, to leave TasPorts because of a health and wellbeing issue or psychosocial issues and risks?

**Mr DONALD** - I would ask Iona to clarify for me but I can think of one.

**Ms LOVELL** - You said that some make the decisions themselves and some are helped to make that decision. That would indicate that there is more than one.

**Mr DONALD** - Yes, over a longer period of time there would be more.

**Ms LOVELL** - Okay, so over the last three years?

**Mr DONALD** - After three years, again, I would be happy for the team to provide me with statistics. I would say three.

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**Ms LOVELL** - Do you conduct regular staff satisfaction surveys or health and wellbeing surveys or anything along those lines?

**Mr DONALD** - We have done that in two different ways. We have done organisational and cultural index surveys. So OCI using human synergistics models, and more recently we have been taking engagement surveys which are more like Pulse surveys for our staff. The most recent one closed last Friday. We are yet to see the results and we have been doing that every six months.

**Ms LOVELL** - So you do a Pulse survey. The OCI surveys you talked about, how frequently do you do those?

**Mr DONALD** - Every two to three years.

**Ms LOVELL** - When was the last one done?

**Mr DONALD** - Two years ago.

**Ms LOVELL** - What did the results of that show you?

**Mr DONALD** - Positive improvement from the prior one.

**Ms LOVELL** - In terms of satisfaction levels or a rating?

**Mr DONALD** - You don't end up with the one numerical score.

**Ms LOVELL** - No, but my question is were employees overall satisfied with the workplace or were there levels of concern or is there an improvement from the previous year? That doesn't mean that they are happy either, so where would you sit on a scale?

**Mr DONALD** - Generally, I would like to think that there is a happy workforce at TasPorts. There are always some who may say otherwise. Certainly, in terms of the survey results from the OCI, the last one demonstrated quite a significant improvement in a number of different areas. I think that the quadrants, there are 12 different categories that are categorised.

**Ms LOVELL** - You said you would like to think that there is a happy workforce generally. Is that what your surveys and pulse checks are showing? Do you have data to support that?

**Mr DONALD** - Yes. I also test that with my own interactions. I spend a lot of time out there talking to staff directly, I provide briefings on a quarterly basis around the state and there's a two-way engagement at those briefings where I get to see and hear feedback from individuals.

**Ms LOVELL** - It might not be the easiest way for staff to give feedback face-to-face to the CEO.

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**Mr DONALD** - That comes down to the relationship and trust too, doesn't it? In the last 12 months, this calendar year from Christmas last year until now, and I don't plan to stop, every new staff member at TasPorts I meet with for 15 minutes to half-an-hour, face to face, so I get to talk to them about myself, I ask them about themselves and they will choose to share how much they're prepared to tell me. Some of them share a lot, some of them are probably a little bit more guarded and I respect that, I don't pry. It's an opportunity for me to reinforce two messages in particular.

One of them is around safety, and empowerment around safety and I let them know that they've got my full support to stop work, to challenge, to ask questions, to take responsibility and the same applies to culture.

**CHAIR** - If I can go back to the Menzies work, is part of that work to assess the psychosocial safety in your workplace?

**Mr DONALD** - I'm happy to provide you in writing or if we can, by the end of the session today, with the detailed scope.

**CHAIR** - Okay, that would be helpful to have that. It doesn't sound to me as though TasPorts has undertaken a specific assessment of the psychosocial safety in the workplace. You've done a lot of other stuff, but it's a very nuanced sort of thing which can inform future practice, like reporting frameworks, people can report safely, bystander behaviours and things like that. That's not on the radar right now, it might be after this Menzies work is completed. That sort of training is not happening, you're talking about a broader, more community driven, broad focused program delivered broadly in the community.

**Mr DONALD** - I think you'll find that it's quite detailed and specific.

**CHAIR** - I am talking about what TasPorts actually deliver. You might get more guidance from the Menzies work, but have you done a real in-depth assessment of those matters?

**Mr DONALD** - Yes we have.

**CHAIR** - When did you do that?

**Mr DONALD** - I haven't got the specific date, it's probably - I'm guessing - six to nine months ago.

**CHAIR** - You've got the result of that survey the work that was done?

**Mr DONALD** - It's a risk assessment.

**CHAIR** - Can you describe to me what you were saying about what a risk assessment is, what does it look like from your perspective?

**Mr DONALD** - It's a risk assessment that identifies all the psychosocial risks and development of an action plan.

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**Ms LOVELL** - How was that done? How was that risk assessment done?

**Mr DONALD** - As I indicated earlier, collaboratively, with a series of workshops and interviews.

**CHAIR** - Who did the interviews?

**Mr DONALD** - I will ask the team to provide me with -

**Ms LOVELL** - I thought that was the Menzies work that you were talking about?

**CHAIR** - Yes, I'm a bit confused about -

**Ms LOVELL** - So the risk assessment was done by TasPorts, not the Menzies Institute separately?

**Mr DONALD** - Yes.

**Ms LOVELL** - That was done in a series of workshops with staff?

**Mr DONALD** - Yes.

**Ms LOVELL** - And interviews one-on-one with staff?

**Mr DONALD** - I believe so, I'll ask the team to provide it.

**Ms LOVELL** - Okay, that's the bit that we're after more information on and then what was identified out of that risk assessment? What are the psychosocial risks that have been identified as part of the work at TasPorts? I'd be really interested to hear what's being done to address those risks that have been identified through that process.

**CHAIR** - When can we expect to get this information?

**Mr DONALD** - I will ask the team to try to get it before the session closes today.

**CHAIR** - Is it possible to get it when we come back from lunch, so we've still got some time to actually ask questions about it?

**Mr DONALD** - Sure.

**CHAIR** - Otherwise it's a bit pointless. It's two years before you're back in front us.

**Mr FERGUSON** - We're happy to do that and I've listened very carefully to the answers as well, because as a government we're always encouraging our businesses to have a close regard for health and wellbeing, including mental health and wellbeing. I'm pleased with the establishment of the health and wellbeing staff committee to help inform these efforts but this is a journey of improvement. Very happy to undertake to get that information to the committee as soon as we possibly can. We will aim for 1.45 p.m. so we can give you some more information on that.

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**CHAIR** - We only have a couple of minutes before 1 p.m. but have other people got people related questions?

**Mr EDMUNDS** - Obviously, as shareholder minister, that's something you would be taking a great interest in, I'm sure?

**Mr FERGUSON** - It really is. Often, when I have meetings with our team board, I don't meet with the board, I meet with the Chair and the CEO and a number of executives on a regular basis. The team is very good at bringing to me issues that they have of concern, including, at times, things that are of a really sensitive nature. They don't ask me to be involved in managing those situations, but they like to keep me aware of areas of their activities and how they are responding to known issues and risks as they emerge. Health and wellbeing is just so important to us, not as a Government but as a community, as a state.

As a Government and Opposition together in the parliament, we want to look after our people. I know that there were some good questions there about, in small number of cases, how people have been assisted to leave the business with dignity. I am all for that where that's appropriate. The evidence is that the greater number of good and care that is being provided is about helping people to stay, to help them through whatever their needs may be on that confidential basis. Whether it's low level, or whether it's workplace related or externally related to try to assist people to continue to do a good job as a valued employee.

To answer your question, Mr Edmunds, yes, I am satisfied with it but, no doubt, as we continue to generate awareness and encourage people to reach out for help at an early stage, it's clearly the best way that we can look out for each other and provide support before something becomes more difficult to manage or more difficult for a person to stay and continue to do their work in the business.

I am sure as we continue to learn more in this space, particularly the work that Menzies are being asked to do - which in my notes was about proactive engagement with Menzies so as to embed a psychological health and safety model. Clearly, this is about helping to inform the business about something that hasn't traditionally been part of its core business and to embed that health and safety model into everything that we do. Not just at the management level but across the business.

**Ms LOVELL** - Have you been briefed on the psychosocial risk assessment that has been undertaken?

**Mr FERGUSON** - I have not.

**CHAIR** - You said there was one person that you could recall that was helped out of employment with TasPorts in the last reporting period?

**Mr DONALD** - The one person that has left with mental wellness issues wasn't helped out. I think I said that there was one within a three-year period that was provided with assistance to depart TasPorts.

**CHAIR** - Because of their mental health and wellbeing?

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**Mr DONALD** - Yes.

**CHAIR** - In the last 12 months, have there been any positions that have been terminated?

**Mr DONALD** - In the last 12 months, yes.

**CHAIR** - How many?

**Mr DONALD** - I will have to take advice on that, I think there's probably two or three.

**Mr FERGUSON** - Chair, in the last 12 months or in the last financial year?

**CHAIR** - Sorry, the last reporting period.

**Mr DONALD** - I will ask the team to give me the data.

**Mr FERGUSON** - We will have that for you at 1.45 p.m. if it is not immediately able to be answered.

**Mr BRADFORD** - One I am aware of related to issues you were raising 10 minutes ago.

**CHAIR** - I am sorry?

**Mr BRADFORD** - One of the dismissals related to issues you were talking about 10 minutes ago about protection of people in the workforce and inappropriate behaviour between one person to another.

**CHAIR** - You are aware of that?

**Mr BRADFORD** - Yes.

**CHAIR** - Obviously, that behaviour that led to that termination, when did that termination occur? It was obviously during the last financial year.

**Mr BRADFORD** - I think it falls within the reporting period.

**Mr DONALD** - If it is not it might be just in the year before.

**CHAIR** - It is a little while ago from today's date?

**Mr BRADFORD** - The reason I mentioned it is because it would have taken a degree of courage for the person who was offended to raise it.

**CHAIR** - I appreciate you raising that. When did the CEO become aware of that behaviour initially? How long ago before the person was terminated? Through someone

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raising it with the organisation? It may not have been raised directly with the CEO, it might have been raised somewhere else and then elevated to the CEO.

**Mr DONALD** - I would have thought it's a relatively short period of time. It might be four to six weeks in duration that was undertaken between the advice that it had occurred and the completion of the HR-related process.

**CHAIR** - The question is, when was the CEO first made aware of this issue?

**Mr DONALD** - Do you want the date or -

**CHAIR** - Yes.

**Mr DONALD** - Well, okay. I'll provide that. We're talking about a year-and-a-half ago.

**CHAIR** - Okay. So, it's a while ago. I'm trying to establish how long an incident like this has occurred in the business, and when did you undertake the psychological safety work that you've just done yourselves that we're going to get some information about shortly?

**Mr DONALD** - Okay.

**CHAIR** - When did that work start?

**Mr DONALD** - We'll get those dates shortly.

**CHAIR** - Right. We will come back to that after lunch.

**Mr FERGUSON** - Chair, I have to say that if we're going to be providing specific dates and timeframes, I don't want us to accidentally lead ourselves down a path where we're identifying people. After the information is provided and we all have a quick look at it, I may ask you just to take that into the committee.

**CHAIR** - Sure. I will allow that consideration to be requested, minister, but what I'm trying to understand is the timeframes.

**Mr FERGUSON** - Well, we won't provide it if it identifies people.

**CHAIR** - No. I'm not asking to identify - we don't want people identified. Absolutely not.

**Mr FERGUSON** - We will be very responsible about it and seek your guidance as well as to how to best do that when the information is with us.

**Mr DONALD** - Just a clarification on the earlier question with respect to the number of terminations during the review period 2022-23: there were two.

**CHAIR** - Thanks, minister. We will break and come back at a quarter to 2.00.

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**The Committee suspended from 1.02 p.m. till 1.45 p.m.**

**CHAIR** - Welcome back minister and your team, you have some information to provide to the committee.

**Mr DONALD** - The psychosocial risk assessment was undertaken in June 2023. The risk assessment is done in response to the new legislation on the ISO standard. The risk assessment was done by cross sectional teams across the business. The work included survey questions in small work groups to consult and identify champions within the business and was largely designed to identify gaps against the new ISO standard. We expect to receive a report to the executive on the actions required to close the gaps in early December, I believe it's on the 4 December.

**Ms LOVELL** - You said it was cross sectional teams across the business, what does that mean? How big were the teams? Can you talk a bit more about what that looks like?

**Mr DONALD** - It includes representation from across the work groups, across the state, representation from the safety team, people and cultural team, operational team, operational land side teams, marine teams and also corporate services office-based staff. A broad cross section of our workforce.

**Ms LOVELL** - What percentage of the workforce was involved in it?

**Mr DONALD** - I don't have that detail, I have to get those numbers.

**Ms LOVELL** - Was there any full staff survey or just this cross section?

**Mr DONALD** - Just the cross section.

**Ms LOVELL** - You say there is piece of work you are expecting to be briefed on in December on meeting the gaps. Have you been briefed on the results of the survey?

**Mr DONALD** - No.

**Ms LOVELL** - Would that be part of what you are briefed on in December?

**Mr DONALD** - Yes.

**Ms LOVELL** - But that was done in June.

**Mr DONALD** - Yes, the risk assessment activity.

**Ms LOVELL** - It was completed in June, but you haven't been briefed on risks that were identified?

**Mr DONALD** - Briefed in relation to the gaps we have in relation to the ISO standard in relation to the fact there is a large piece of work to do.

**Ms LOVELL** - Can you tell us about what the survey found?

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**Mr DONALD** - I don't have that detail, but I can provide it separately.

**Ms LOVELL** - Can you provide it in this hearing today?

**Mr DONALD** - No I don't believe so.

**Ms LOVELL** - Can you tell us what you recall from the briefing?

**Mr DONALD** - The briefing indicated to me there was a large amount of work to do.

**Ms LOVELL** - On what areas?

**Mr DONALD** - On all areas in relation to compliance against the ISO standard. That's an intent and objective of the work. It provides us with an action plan to close the gaps.

**Ms LOVELL** - It's hard to say whether your action plan will close the gaps, if we don't know what the gaps are.

**Mr DONALD** - That's the role of the executive, isn't it?

**Ms LOVELL** - That's what we are asking you about now: what are the gaps that have been identified?

**Mr DONALD** - I haven't received the full report.

**Ms LOVELL** - You said you have been briefed on what the risk assessment found in terms of what the gaps are?

**Mr DONALD** - In terms of there is a large gap and there is a large amount of work to be done.

**Ms LOVELL** - That is a very general term. Can you provide more detail on what are the gaps? What are the areas identified as needing work?

**Mr DONALD** - More than happy to do that after the executive review and understand the report.

**Ms LOVELL** - But you have been briefed on that already you said.

**Mr DONALD** - In terms of the magnitude. There's a large amount of work to be done. I understand that is a general briefing.

**Ms LOVELL** - You haven't been briefed on what areas have been identified. Six months ago, coming up to six months before you find out where the gaps are that need to be addressed.

**Mr DONALD** - Yes, possibly.

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**Ms LOVELL** - Do you think that's satisfactory?

**Mr DONALD** - There's a whole range of different activities that have been undertaken this year, including leading from that period of time. I can provide details in terms of the 12 modules of work, the six meetings that have been undertaken, it's quite detailed.

**Ms LOVELL** - I'd be really pleased to receive any more detail you can provide.

I will direct my next question to the minister. A large piece of work has been done five or six months ago. It will be six months before you're briefed essentially on the gaps. What your CEO is telling us is that he has been told there is huge amount of work to be done in these areas but he can't tell us what the areas are where the work needs to be done and what work needs to be done. Do you think that's satisfactory in workplace management and maintaining a workforce and a safe workplace?

**Mr FERGUSON** - It is satisfactory in that this is an initiative of the business and the executive team, and with a desire to be fully compliant with the ISO standard which I am not familiar with. I accept and understand where you are coming from. I listened carefully to your questions that it may seem to you a long time from June to December when I'm hearing that the executive will have a deeper brief on those gaps. I have to take them on trust as well as you do that this is an area of keen interest for TasPorts. I want to see it happen as much as you do but it is an initiative of the business. They should really be commended for initiating this plus getting the expert support of Menzies.

**CHAIR** - They are legally required to do it, minister.

**Mr FERGUSON** - They are not required to get the support of Menzies at all. They've done that as part of their own initiative. This is something because we want to look after our people. I am sensitive to your question. I'm aware of the reason that you would want to see maximum effort as well as a sense of accelerating towards the task that is clearly ahead of the business, and I support that. I'm not aware of a reason why a person might think it is too long from when the June work has been done until December, because December is about implementing.

**Ms LOVELL** - I find it deeply concerning that a piece of work has been done that has 'identified the huge amounts of work', in the CEO's words, which need to be done in ensuring that it's a safe workplace with regard to psychosocial matters. Yet it seems there were no further questions asked about what those matters are. What are the huge amounts of work and what are the concerns?

I would expect as a CEO, and as a minister, that you would want to know what those issues are. Do you not agree with that?

**Mr FERGUSON** - I do agree with that.

**Ms LOVELL** - Will you undertake to find out what those gaps are?

**Mr FERGUSON** - Yes, I will, but, Ms Lovell, that information's not before me. I am hearing that it's coming to fruition in December. I am happy to listen to any argument that it's

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taken too long. I'm not sure that that's established at all. It's a body of work that the business needs to do, wants to do, is doing and in a small number of weeks it will be coming to fruition.

Obviously, that is not in time for you for this scrutiny hearing. I respect and appreciate that and I'd be perfectly happy and would like to take on notice and provide back to the committee any further information I'm able to before you provide your report. I invite the CEO or Chair if you can fill in any gaps because, clearly, here at the committee there is a view that June to December is too long. I'm happy to pose the same question as Ms Lovell.

**Ms LOVELL** - If I can clarify that point, without knowing what the issues are, six months might be a reasonable time frame to come up with an action plan to address those issues. It might not be if those issues are particularly significant and severe, and we've heard from other workplaces that there are some significant issues.

My concern around the time frame is that a piece of work was done five months ago and nobody at the table seems to be able to tell us what that work found, other than that there is a huge amount of work to do. That to me is concerning so it's not necessarily about the implementation of a plan -

**CHAIR** - Can I pose this question slightly differently.

**Ms LOVELL** - Go for it.

**CHAIR** - From a risk management perspective, there is the psychological safety of workers. We care about that; all of us care about that. If there was a significant number of matters raised that require significant amounts of work, then how is the risk associated with the staff wellbeing being managed between when the factors were identified - which carry a number of risks, you would have to accept - and when we get to December when a plan is formulated to deal with those risks?

**Mr FERGUSON** - And mitigate them.

**CHAIR** - Yes.

**Mr FERGUSON** - I'm not assuming - as I don't have the subject depth of knowledge - but 'risks' does not mean that it's actually occurring. It means it's a risk -

**CHAIR** - It sounds like it could be.

**Mr FERGUSON** - and then you need to mitigate the risk and reverse it and address it as much as you can, moving towards eliminating risk. I have to look to the CEO to respond.

**Mr DONALD** - It's risk against the new standard. I'm happy to provide a detailed list of the activities that have been undertaken with the whole program, including the activities that have been undertaken subsequent to the risk assessment.

**CHAIR** - What activities? I mean, you can provide a list, but surely you can tell us now what some of those things are that you've done since?

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**Mr FERGUSON** - We will be as open as we can be, Chair, Ms Lovell.

**Mr DONALD** - The first activity was introduction to psychological health and safety. This is all very general. Milestone two: understanding the organisation and its contexts - including external factors. Milestone two and meeting number three: understanding the organisation and its contexts - including internal factors. Milestone two, meeting number four: understanding the organisation and its context - needs and expectations of workers. Milestone three, meeting number five: ensuring management support and leadership commitment to psychological health and safety. Meeting number three -

**CHAIR** - Can I just stop there. You said that there were things that had been done in response to it. This is outlining the steps undertaken to deliver the work that was done in June, isn't it? This is the frame that guided it.

**Mr DONALD** - This is part of it. Yes.

**CHAIR** - Then you went on and said that you've done a number of things to address the gaps and the risks that were identified through that work.

**Mr DONALD** - No, that's part of our ongoing program for supporting mental wellbeing in our health and wellbeing committee. We have had a long-standing program called The Care Factor Program that we've implemented, I think, successfully over the last five to six years within the organisation. A lot of that is around behavioural safety elements. There is commonality in language used, principles and practices. As I said earlier, we're not an expert in this; we plan to become a lot better than we've been previously, but equally, we're not flat-footed.

**Ms LOVELL** - Can I just clarify? The Chair had asked for a list of actions or things that had happened and you are reading from something that said - you were talking about milestones and meetings.

**Mr DONALD** - Yes.

**Ms LOVELL** - So, this are a series of meetings that have taken place? Is that what you are -

**Mr DONALD**. Yes, and milestones, so it includes -

**Ms LOVELL** - When you say milestones, what do you mean by milestone? That's a, like, a ticking, something to say that you've reached this -

**Mr DONALD** - Yes. From what I understand it's a staged process of -

**Ms LOVELL** - What did you do to get to that milestone, is the question.

**Mr DONALD** - Which milestone are you referring to?

**Ms LOVELL** - Well, all of them. You've read milestone -

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**Mr DONALD** - Well, allow me to talk and I was explaining - I was attempting to explain. So, milestone number three: review of OH&S policy, roles, responsibilities, authorities and worker consultation. Milestone number four: psychological hazard identification as part of the risk assessment. Milestone number four, part eight: psychological risk assessment and opportunity analysis.

**Ms LOVELL** - So, you conducted a risk assessment. That is what that milestone is? Right.

**Mr DONALD** - Yes; which was in June 2023.

**Ms LOVELL** - Are you willing to provide the committee with that list?

**Mr DONALD** - Yes, more than happy to provide a detailed list of all of this that gives you clarity around the program that we've conducted with Menzies.

**Ms LOVELL** - Okay. When you are talking about meetings, who were in those meetings?

**Mr DONALD** - With the cross-functional work group, including representation from the whole organisation.

**Ms LOVELL** - And you're coming back to us with a percentage of how many?

**Mr DONALD** - Yes.

**Ms LOVELL** - It doesn't sound so far like there's been much in terms of pieces of work that have been delivered to the workforce to address.

**Mr DONALD** - In terms of the analysis against the ISO standard, that is the work that we will understand on 4 December, but in terms of what we have done historically, I would say that we do a lot as part of our Care Factor Program and our health and wellbeing committee.

**CHAIR** - How do you assess the impact of the Care Factor Program?

**Mr DONALD** - Well, there are probably a number of ways. One way would be through our surveys of staff; through an examination of our OH&S statistics, both leading and lagging indicators.

**CHAIR** - Your staff satisfaction survey, or other survey?

**Mr DONALD** - Yes, and engagement surveys.

**CHAIR** - Are they the one thing - staff satisfaction and engagement - or are they two different things?

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**Mr DONALD** - One of them, as I said earlier, is an OCI, which is a detailed assessment. The other one is a staff engagement survey, which is more of a temperature check.

**CHAIR** - Like a Pulse survey?

**Mr DONALD** - Yes.

**CHAIR** - When were they last done?

**Mr DONALD** - As I said earlier, the OCI was done two-and-a-half years ago and the Pulse surveys have been occurring every six months.

**CHAIR** - The last time being in October - is that right?

**Mr DONALD** - Yes; the last one closing last week.

**Ms LOVELL** - Earlier, when you were talking about this, you weren't able to provide us with any data from those surveys. Is that something you can come back to us on?

**Mr DONALD** - No - I said that I wasn't able to provide you with data in relation to the most recent survey because I hadn't received the outcome of the survey yet.

**Ms LOVELL** - We did have a discussion about this earlier and you said that the Pulse check surveys were showing that staff were generally happy and that there had been an improvement on a number of metrics but you weren't able to tell me where on a scale any of those things sat.

**Mr DONALD** - I said that in relation to the OCI surveys because they are more detailed, and that demonstrated a significant improvement in the culture of the organisation.

**Ms LOVELL** - My point to you then was that a significant improvement doesn't necessarily mean that the result is what you might consider to be satisfactory or good. You could have a significant improvement from a terrible result and still be bad. Or, you could have a significant improvement from a good result and great. Telling us you've had a significant improvement doesn't really give us any information about where you're sitting on any of those metrics now, or where you have been. My question to you is, can you tell us what those results showed in terms of satisfaction of your staff?

**Mr BRADFORD** - The major issue in the survey - back one, not the current one; the current one is unseen - the one before that, showed a major improvement that I remember clearly in decision-making. The staff had a view in the earlier survey that decision-making in the organisation was poor. That's not just decision-making from the person at the top, it was at all levels, it was very low and that impacted the survey. You can see it clearly. The board asked for some action on that because we want to empower people, and the next survey showed a major improvement.

**Ms LOVELL** - With respect, again, telling us there's been a major improvement doesn't tell us anything about where that sits currently in terms of people's level of satisfaction.

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**Mr BRADFORD** - Their satisfaction in the level of decision-making, at the highest level was just below what you would expect. Given the size of the organisation, I'd expected a bit higher than that, but if you're talking about a 2000 people organisation, you would expect it to be a bit lower.

**Ms LOVELL** - Again, using terms like 'what people would expect', that's not a measurable, quantifiable metric. You haven't been able to give us anything at the table to point to and say, 'We conducted this survey two years ago'.

**Mr BRADFORD** - Would you like the survey of two years ago sent to Council?

**Ms LOVELL** - Yes please; that's what we're asking for is results of the survey.

**Mr FERGUSON** - We will take the two points in time and provide the committee with some quantitative measure of those indicators.

**CHAIR** - Thank you, that would be very helpful.

**Mr FERGUSON** - Please don't assume, either, that it's something we've got at the table but we just don't want to give you. I don't even believe that I have seen that. Happy to explore this and I don't know if there's reasons why some of that may need to be confidential. If we can provide that, we should provide it and we will; possibly not today but we will certainly do it as soon as we can, if our team can action that and if you would put it on notice.

**CHAIR** - And the detailed survey that was done two years ago.

**Mr FERGUSON** - Plus the recent Pulse, which was five or six months ago.

**Ms LOVELL** - Yes, that would be very good, thank you.

**CHAIR** - There was other information you were going to provide?

**Mr DONALD** - The five packages of work. The first package of work relates to marine remediation - Terminal 1 is currently where TT-Line berths their vessel. Package two is in relation to Terminal 2, which is where the new SeaRoad vessel will ultimately be, but slightly relocated; and that's early works, so that involved -

**CHAIR** - What sort of works?

**Mr DONALD** - That involved fender upgrades, some strengthening of the wharf structure for the Liekut vessel essentially. That's complete. Package number three also relates to terminal two which is the landside construction and marine construction for SeaRoad and package number four, which we're in at the moment, relates to marine and dredge construction and landside construction activities.

**CHAIR** - Marine and dredge, did you say?

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**Mr DONALD** - Yes. The marine and dredge construction activities, dredging is complete and, as I indicated earlier, the last pile for the wharf has been driven today which then enables the placement of the headstocks, which essentially is the structure that holds the deck up. There will be decking planks and it is all precast concrete decking planks put into place and then concrete poured over the top. The final package of work is marine improvements.

**CHAIR** - Which means?

**Mr DONALD** - Which is essentially completion of any maintenance, dredging, navigation aids, any rock revetment, scour protection activities along the river.

**CHAIR** - Do you have an indicative budget for each of those five?

**Mr DONALD** - We have, certainly, but I don't have that here today and I'm not sure from a commercial perspective that I'd want to provide that because that would provide indication to future tenderers of our budget. All of our activities is encompassed in our \$241 million project budget.

**CHAIR** - How many different contractors are involved with each stage?

**Mr DONALD** - At the moment, the terminal -

**CHAIR** - Not contractors, contracts.

**Mr DONALD** - package number four relates to the main works package we have and that's with Hazell Brady Joint Venture. That's the main contract that we have with. We have some consultants with contracts but not a large number working for us on the project. The activities around the early works completion was one contractor and that's been completed. We'll be out to tender in the new year for SeaRoad activities.

**CHAIR** - Which is part of three or two?

**Mr DONALD** - Terminal two.

**CHAIR** - One principal contractor there?

**Mr DONALD** - Yes.

**CHAIR** - What about three?

**Mr DONALD** - For terminal three or package three?

**CHAIR** - No, terminal two, the third parcel of work.

**Mr DONALD** - That will be one contractor for the SeaRoad landside construction because the marine early works was complete and there's marine construction as well, which will incorporate a little bit of dredging activity around the berth -

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**CHAIR** - What level of contingency have you got built into each of these stages?

**Mr DONALD** - I'm not going to provide that information.

**CHAIR** - I'm not asking the amount. I'm asking what percentage contingency.

**Mr DONALD** - As indicated earlier, we have a P90. What does that mean? P90 and a Monte Carlo assessment doesn't -

**CHAIR** - We've talked about that. I'm interested in -

**Mr DONALD** - I'm happy to answer the question.

**CHAIR** - Okay. When you prepare for a Public Works Committee or something like that, you do have to talk about the contingency. The Public Accounts Committee calls in public works projects - we review those things.

**Mr BRADFORD** - And we're talking about the recent project.

**CHAIR** - No.

**Mr DONALD** - The P90 and Monte Carlo assessment is very different. An alternative approach would be to say that there's a 10 per cent contingency applied to each work package. We don't do that. What we do is a risk assessment in relation to the delivery of each work package and then there's a statistical assessment, called a Monte Carlo assessment, which is then undertaken to quantify in a dollar sense what a 90 per cent probability of successful delivery within the forecast final cost. That basically results in an output of a dollar sum. It's never going to be an exact 10 per cent or 15 per cent.

**Mr BRADFORD** - It's highly sophisticated because ports try very hard to get a very accurate assessment of the capital costs they are going to incur.

**CHAIR** - We talked about that earlier.

**Mr BRADFORD** - Yes, it's a major issue. Mr Donald would be one of Australia's leading experts on the topic.

**Mr GAFFNEY** - I am interested in the Devonport East Redevelopment. It says in the report that it will be completed before the *Spirits*, which is fine now that they have been delayed. If the arrival of the *Spirits* has been delayed, do you still try to complete exactly on the same time schedule or do you move some of that to some of the other project developments that you may have somewhere else? Or do you finish off that project first?

**Mr DONALD** - We have a contract with the joint venture company, Hazell Brady. As part of that contract they have a commitment to deliver the work within a contracted time frame. That's their obligation and their commitment and our expectation that they will deliver.

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**Mr GAFFNEY** - Are you confident that will come in under budget even though there has been an increase in materials, labour? Are you comfortable with that?

**Mr DONALD** - Yes.

**Mr GAFFNEY** - When do you think that will be completed by?

**Mr DONALD** - The package of work for - ?

**Mr GAFFNEY** - The Devonport East Redevelopment.

**Mr DONALD** - The whole lot? In 2027, the completion date.

**Mr BRADFORD** - It won't all be complete by the arrival of the first *Spirit*. That's a milestone to make the berth available for that vessel and then the whole process has to be reversed for SeaRoad. It has years to run. It is very complex, particularly because both of the tenants are operating vessels every night. If they weren't there, we would be home and free. Life is not like that.

**CHAIR** - It's like building a plane mid-air. I don't want to be on that plane.

I want to go to cyber security. We have seen some pretty serious incidents just recently with DP World, operating the same space as you are and it was the Optus. I would like you to inform the committee about your cyber security. We don't want you to divulge things that might put you at risk. What risk management plans have you got for cyber security? Have you got a crisis and a recovery plan and has it been tested?

**Mr DONALD** - We recognised a need for a data and systems and infrastructure across all of our port, assets and operations, the airport, shipping assets. We want to be as resilient as possible in the face of increasing cyber security threats. We have a very capable and active team in this space. TasPorts has adopted the Australian Cyber Security Centre tactical approach to cyber resilience and we have implemented practicable risk-based controls to govern, protect and detect and respond to cybersecurity threats and incidents. Our response times to notification of threats is proven to be very quick. Particularly in much recent -

**CHAIR** - In terms of cyber attack threat?

**Mr DONALD** - In terms of the recent example that you mentioned with DP World, upon notification, we acted within hours and mitigated those risks for the benefit of our organisation and our customers. Through strategic initiatives that align with our cybersecurity strategy and information security framework, we continue to focus on preventing and mitigating all cyber threats. During the reporting period we had 13 IT security incidents which were identified and successfully managed. They were all considered to be low risk and resolved internally by TasPorts. In terms of our crisis management plan, we have a crisis management plan and a business continuity plan. Every quarter, we implement exercises in relation to that and we have implemented one in relation to a cyber incident.

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**Mr BRADFORD** - Other members may not recall but at our meeting a couple of years ago we -

**CHAIR** - You were with a different committee then so these members would not recall.

**Mr BRADFORD** - We were hacked in accounts payable and some money was taken and there was an attack on payroll. We are not inexperienced with the topic and that has alerted all the workforce to the risks. Even yesterday, the chairman had to upgrade again to another two-factor identification on board papers.

**Mr DONALD** - We routinely test all staff on phishing - that's the phishing - and we roll out and simulate 12 to 13 different scenarios and hits on individual's inboxes where everyone is tested. The percentage is reported through to the executive. Initially, when we commenced the program - I cannot recall the statistics - we have a high degree of performance currently with the respect of identification of unusual email correspondence.

**Mr BRADFORD** - But not complacent.

**Mr DONALD** - No, that is one of the biggest risks.

**Mr BRADFORD** - I feel sorry for what Optus and DP World are going through it. It is horrendous.

**CHAIR** - With regard to other risks, there are the safety risks associated with the ports with vessels visiting from a range of places around the country and the world. How do you manage the security of those vessels coming in?

**Mr DONALD** - We have a maritime security program and a maritime security plan in accordance with the federal regulator. It is regularly audited. We have port secure zones that are perimeter controlled. They are monitored with electronic access control and CCTV. We have a range of controls in place, including anyone and everyone who accesses a port secure zone with an MSIC as part of their induction program, is trained on what to do to identify unusual activity.

**Mr BRADFORD** - It is heavily regulated nationally and we comply entirely and are actively audited, as are all other participants.

**CHAIR** - When are you required to do underwater sweeps of vessels coming in?

**Mr DONALD** - Depending on the vessel, but before they come to berth.

**CHAIR** - Obviously it is before they come to berth, it is a bit late then. The question was which vessels do you need to do them on then? Is it all the vessels that come from where? Or is it all vessels?

**Mr DONALD** - It is not domestic vessels. It is all international vessels, but I might take that on notice and ask the team to provide me with specific details in that regard.

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**CHAIR** - Assuming there is a category of vessel that needs to have an underwater sweep before it can enter into a port, are you confident all underwater sweeps on those vessels have been undertaken?

**Mr DONALD** - I am aware of one occasion where it wasn't. The requirement for under wharf sweeps is a relatively new requirement, that was incorporated into our maritime security plan. Perhaps, upon reflection, wasn't communicated as well as it should have or could have been to our operational staff so they had no knowledge of the requirement. Therefore, there was one that was missed which was then reported through to the regulator and the board.

**CHAIR** - The one that was missed which port was that at?

**Mr DONALD** - I believe it was the Port of Hobart.

**CHAIR** - Had there been vessels coming in that had been swept before that?

**Mr DONALD** - I don't know. I imagine they would have been.

**CHAIR** - Was it a new employee who didn't? You said that if it was already being done it would have been a known this is what you do.

**Mr DONALD** - It wasn't completely well known, understood and implemented with all of our operational staff was part of the root cause identified.

**CHAIR** - Who did the root cause analysis?

**Mr DONALD** - The root cause was undertaken by our internal management security team.

**CHAIR** - What was AMSE's response? You said it was reported to AMSE.

**Mr DONALD** - No, I don't think it was reported to AMSE. I think it was through to the security regulator. I do not think it was AMSE.

**CHAIR** - It was reported to a regulator. What was the outcome of that though?

**Mr DONALD** - I know we demonstrated we had then trained and implemented the practice across our operational workforce and that was some time ago.

**CHAIR** - When was that?

**Mr DONALD** - Some time ago. I don't know, I have not got the specific day.

**CHAIR** - Days, weeks, years?

**Mr DONALD** - Months and months. I would say nine to 12 months ago.

**CHAIR** - In this last reporting period?

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**Mr DONALD** - Yes.

**CHAIR** - We go into other safety matters. You have Devonport Airport, obviously a lot of the civil aviation stuff is managed through CASA. Have you had any interactions with CASA?

**Mr DONALD** - Yes, all the time.

**CHAIR** - Has there been any incidents that have occurred at Devonport Airport that are warranted the intervention of CASA?

**Mr DONALD** - No.

**CHAIR** - We see it when you and fly from these little regional airports someone has to buzz the runway, up and down check, make sure there's no dead wallabies and other things on it, or cattle perhaps, even though they're fenced. Does that happen regularly before every flight?

**Mr DONALD** - Does what happen?

**CHAIR** - The sweep of the runway, someone driving up and down it. I don't mean getting out with a broom. I mean driving up and down it.

**Mr DONALD**. Yes, it does.

**CHAIR** - Has it happened on every occasion?

**Mr DONALD** - It happens every day.

**CHAIR** - Any times when it hasn't occurred?

**Mr DONALD** - No.

**CHAIR** - Interesting. Okay.

**Mr EDMUNDS** - Let's talk about Macquarie Wharf upgrades. Can you talk me through the importance of the upgrade of Mac 6 for the *Nuyina*?

**Mr DONALD** - Sure can. The asset is at the end of its life. I think it was constructed in the 1970s. Upon reflection, the quality and the standards of construction were incredibly high for it to last as long as it has. It has a restriction on its deck loading capacity of 5 kPa, which means that you essentially can't drive a ute on it. It's pedestrian loading only. It's a lay-up berth, which means that we allow the vessel to come in and tie up and for pedestrians, or for passengers and crew to get on and off using a gangway. Any time they want to load and/or unload materials and equipment from the vessel, they need to move it further down the berth. There is a regular condition inspection that is undertaken to satisfy us that it's still safe and AAD are acutely aware of its condition. The importance of the upgrade, it's vital.

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**Mr EDMUNDS** - Yes, and is there a time frame on the upgrade?

**Mr BRADFORD** - We would hope early in the new year, without setting a specific date, that we would present to the minister a major proposal for the development of 4, 5, 6 Macquarie Wharf. Berths 6, 4, a dedicated berth for 30 years as a tenant for AAD, 4, 5 for the international cruise industry, visiting navies, other Antarctic nations. It will be the biggest development in Hobart in 50 to 80 years and we are currently negotiating with AAD and we're pretty confident that they will be agreed in the near future. So, it's a very exciting development.

**Mr EDMUNDS** - Yes. So, you're working on the designs and specifications at the moment?

**Mr BRADFORD**. Absolutely. Well advanced.

**Mr EDMUNDS** - Do you know how long it will be?

**Mr BRADFORD** - We hope early in the new year.

**Mr EDMUNDS** - As in physically long?

**Mr DONALD** - Two hundred and sixty metres for that one.

**Mr EDMUNDS** - So, would that be just for AAD or other uses as well?

**Mr DONALD** - It will be dedicated for them.

**Mr EDMUNDS** - Thank you. Do you have the latest cost estimate?

**Mr BRADFORD** - The whole project is yet to be through the P90 stage, but 4, 5 and 6, depending what is in and out is, broad order of magnitude, \$ 200 million to \$300 million.

**Mr EDMUNDS** - Yes. No worries.

**Mr FERGUSON** - Chair, you might just speak to the point about when you say what is in or out, I think what you need to convey to the committee is we meet the customers' requests on that. So, I just ask you to outline those requests.

**Mr BRADFORD** - Why the cost varies is the timing of the project, when we start, and with the major tenant, the anchor tenant, AAD, their specific requirements. Some they could do themselves, some they want us to do, some are in discussion. The big one is shore-based power. A great asset for Hobart, if we can deliver that, it's what we want to deliver and that affects the total cost.

**Mr EDMUNDS** - In terms of funding, how will that sort of work, state -

**Mr BRADFORD** - Nothing from the federal government and the same amount from the Tasmanian Government. The port corporation works on a principle of user pays, so having an anchor tenant with AAD will fund the development of that berth and ongoing

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maintenance and operational work, and the cruise industry and the other users will do the same at 4 and 5. It's not as attractive, commercially, as East Devonport, but you have to be patient in ports, time improves things.

**CHAIR** - I'd just like to go back to Devonport Airport for a minute. The security screening there too, is that your responsibility?

**Mr DONALD** - Yes.

**CHAIR** - Has that been assessed by the national security people?

**Mr DONALD** - Yes.

**CHAIR** - Have there been any problems with that?

**Mr DONALD** - Yes, there have.

**CHAIR** - Can you inform the committee about what the problems were and how they've been addressed?

**Mr DONALD** - On two separate occasions the security screening - which is provided by a contractor at Devonport Airport, who is our contractor - has failed an IED test. An IED is essentially a fake bomb. It is part of a national program and part of the response that we've implemented in accordance with CISC is that we are now testing the contractor ourselves. So what does that mean? We have a mock-up IED that we randomly run through the screening, the x-rays, to test that the staff are proactively and positively identifying IEDs.

**CHAIR** - Do you always use the same one, because mightn't it become a bit apparent what it is?

**Mr DONALD** - Yes, that's right.

**CHAIR** - So, you always use the same one?

**Mr DONALD** - You are correct in your statement. The program with CISC enables us to use randomly-selected and different types of IEDs.

**Mr BRADFORD** - Around Australia the Regulator regularly tests the airports.

**Mr DONALD** - I don't want to disclose what they look like.

**CHAIR** - I understand that.

**Mr BRADFORD** - They regularly test them, obviously, anonymously with a wide range of threats in various shapes, forms - I don't know what they are but I get the gist of it and if there is a failure, the airport manager is expected to implement procedures to prevent it happening again, so we've done a lot of training.

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**CHAIR** - In terms of the airport manager, in this occasion, so it's not the person who runs the airport?

**Mr BRADFORD** - It's us, TasPorts; we manage it.

**CHAIR** - How did you manage that on the ground then? You are doing your own testing?

**Mr BRADFORD** - Yes, training, vigilance, training, vigilance.

**Mr DONALD** - Discussions with the contractor around asking them to demonstrate a retraining program, rebriefing program which was developed, implemented and provided transparently.

**CHAIR** - Who oversees that training program?

**Mr DONALD** - The contractor does but we have visibility of that and, ultimately, CISC has seen evidence of all of that training program and have provided positive feedback on the work that's been undertaken in response.

**CHAIR** - Is that all fed back up to you as CEO?

**Mr DONALD** - Yes, and the regulator -

**Mr BRADFORD** - And the board.

**Mr DONALD** - we have been very transparent with the regulator around the progress and activities from the contractor and also from TasPorts in response.

**CHAIR** - With respect to wharf infrastructure and referring to the Wharf Structures Condition Assessment Manual a national benchmark for assessing the condition of wharf infrastructure that's run and administered by Ports Australia, can you please provide a list of all the wharfs or components of wharfs and defects list with a defect rating of 5 or higher to the committee?

**Mr DONALD** - We can take that on notice. I don't have that here today. I'm happy to report that we're very active in condition inspections and we use the Ports Australia WSCAM process.

**CHAIR** - When you provide the defects list can you provide also the action that's been taken with respect to any of those defects?

**Mr DONALD** - Sure can.

**CHAIR** - And what, if any, other work has been identified on wharf assets under this benchmark - additional things that might be needed as a result of the assessments?

**Mr DONALD** - Yes, I can provide that. That's a significant report.

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**CHAIR** - Yes, I understand. Does that information you'll provide enable you to also include the costs identified as necessary to address the works needed? It's pretty important, because we don't want the wharf falling down, do we?

**Mr DONALD** - No.

**CHAIR** - Does that include the cost?

**Mr BRADFORD** - Our risk assessment of wharves and their condition is pretty highly tuned, Chair.

**CHAIR** - I'm not suggesting it's not.

**Mr BRADFORD** - In Tasmania there's one common factor: lots of wharfs, lots of underutilisation. Anthony and the team prioritise the wharfs they wish to maintain at a higher standard and develop, and others are rarely used, only used under certain conditions, so the condition assessment affects that strategy.

**CHAIR** - I appreciate that and will take that into consideration when we look at it, but you are committed to providing the list and the actions needed.

**Mr FERGUSON** - Your committee meets again tomorrow. You would be looking for this I imagine by close tomorrow.

**CHAIR** - No, we don't have to report until 15 December, but we will need it before that. We will write to you by the end of next week, probably.

**Mr FERGUSON** - I was conscious of that.

**Mr DONALD** - There is no way we could provide that within a day.

**CHAIR** - End of next week will be the likely expectation by the committee. If there has been money already spent on the works being identified, if you could include that also. We will put this to you in writing.

**Mr FERGUSON** - Yes.

**CHAIR** - With the *Goliath* matter on page 15. We understand there's a claim before the courts at the moment and we are not asking for all the details on that one, I understand the nature of that. Recently, CSL is the party here who own *Goliath*, have sought to limit their liability. That was a fairly recent thing advertised in the newspaper on 29 September. Does that have any impact on the claim and the likelihood of recovery?

**Mr DONALD** - That's a matter before the court.

**Mr BRADFORD** - That's what His Honour will have to determine, how much CSL pays TasPorts. That's the claim.

**CHAIR** - Are you still hoping to get back the whole claim.

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**Mr BRADFORD** - We say it's a lot of money and CSL say it's not that much.

**CHAIR** - You say it's more than \$15 million?

**Mr BRADFORD** - It's a lot of money. There's more than one claimant against the ship.

**CHAIR** - They are claiming the \$15 million is the total liability?

**Mr BRADFORD** - They say that.

**CHAIR** - The court may or may not accept that.

**Mr BRADFORD** - It went before the Federal Court and our lawyers doing a very good job. To me, the moral dimension is that the ship reversed when it should have gone forward and destroyed two tugs. How it didn't kill people is amazing. It disrupted the port and the threat to life and property. Now they say they don't want to pay, give me a break. I'm sorry, I've no sympathy for CSL.

**CHAIR** - I wouldn't expect you to.

**Mr BRADFORD** - They are trying to limit their liability. It destroyed two tugs. It took the team months to pull them; their hydrocarbon tanks were full.

**Mr DONALD** - 70 000 litres of hydrocarbons were on board.

**Mr BRADFORD** - It could have been an environmental disaster. In a beautiful city like Devonport.

**CHAIR** - Don't go too far.

**Mr BRADFORD** - I've no sympathy for CSL.

**Mr DONALD** - You can imagine what 70 000 litres of hydrocarbons - it wouldn't have just been the river, it would be across the beaches, across the north coast.

**CHAIR** - Yes, I know, it's all outlined here in your report. I know how long is a piece of string, but is there any expectation of when the court is going to -

**Mr DONALD** - I would be happy for them to pay today.

**CHAIR** - No, the court has to make a finding first. Do you have any idea of when that's likely to occur?

**Mr BRADFORD** - The years will evolve.

**CHAIR** - You think it's still years away before you actually get an outcome on this one.

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**Mr DONALD** - I don't know. The Federal Court is full of cases and this is on the list. His Honour and the team are doing a good job.

**Mr FERGUSON** - This is very important to the State of Tasmania. This is first order importance for this business on behalf of the State of Tasmania. I've instructed the team to the extent that my role allows me to instruct. I've guided the team to make sure we maximise the claim on behalf of Tasmania, with the legitimate costs being shared and to exercise all of our options. This was very serious of the immediate impact on Devonport, the environmental risks that's been discussed. The impact on the port led to significant challenges with liquid fuel availability right around the north and north-west of the state, that was a major disruption and it's a business that has the capability to honour the cost that they caused to Tasmania and they should do that.

I don't think I have said anything there that compromises us at court. We are going hard and the business understands that the Tasmanian Government wants the business to go hard. It would be a good outcome if it didn't need a final judgment in the court and that the counter party would settle in an appropriate way, but if they won't, then exercising maximum legal options at court.

**Mr DONALD** - We shouldn't provide any more comment.

**CHAIR** - I asked for the time line. That's all I asked for.

**Mr BRADFORD** - The key time line would be mediation, when His Honour orders that. We are not at that stage yet. We've proven our history in mediation of being able to resolve issues.

**CHAIR** - Going back to the maintenance program, have you got a natural maintenance program? Can you provide details of that?

**Mr DONALD** - What sort of details would you like?

**CHAIR** - What's on the schedule?

**Mr DONALD** - Yes, if you would like.

**CHAIR** - Now?

**Mr DONALD** - No.

**CHAIR** - I'm unsurprised you don't have this minister, with all due respect to the -

**Mr DONALD** - Thirty-seven wharfs across 11 ports, maintenance scheduling would include anything from repainting handrails to concrete patching, pothole repair.

**CHAIR** - Let's go to the major maintenance jobs then. What are the -

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**Mr DONALD** - We don't have that here today, but its extensive. We have a team of people out there every day, including our day labour workforce, highly skilled trade, and contractors undertaking maintenance -

**CHAIR** - Let me reaffirm the question, minister, if I might. What major maintenance programs are in place for the wharfs that there is urgent, necessary work to maintain the integrity and security of the wharfs, acknowledging there are 37 of them. You've already said that not all of them are utilised heavily. What are the key maintenance tasks that TasPorts is in the process of doing? Surely, we can talk about that respectfully.

**Mr FERGUSON** - Let's run around the four major ports.

**Mr DONALD** - Yes, there is significant amount of work about to be undertaken in relation to one of the wharfs at Bell Bay for concrete remediation. That's the main piece of work in Bell Bay relating to wharfs. In relation to Devonport, there's part of the wharf upgrade on the western side of the river that is currently being assessed for either major maintenance or some rehabilitation. In relation to Hobart, the critical maintenance activities would be around the Macquarie 4, 5, 6 and we're working on those probably every other week to ensure that we're keeping them in service and operation as long as possible. In relation to Burnie, the major maintenance activity would be around the BCET. It's an old, aged asset, it works hard, it's a steel structure in a corrosive environment.

**CHAIR** - So which one is that?

**Mr DONALD** - The Burnie chip export terminal and the steel structure and the ship loader.

**CHAIR** - I thought the loader was being replaced?

**Mr BRADFORD** - That's the TasRail loader separately.

**Mr DONALD** - They would be the major maintenance activities.

**CHAIR** - Looking at Stanley, that now is used quite frequently by SMI Shipping. I understand that there's maintenance that needs to be done there. Where does that fit in the priority list?

**Mr DONALD** - In terms of prioritisation we have put a proposal to SMI Shipping to upgrade part of the Ro-Ro ramp some time ago, which is probably the higher priority in terms of Stanley. At this point in time they haven't wanted to progress those activities.

**CHAIR** - What about the other assets like the sea wall that form part of that port area?

**Mr DONALD** - That comes down to utilisation, and certainly, we're continuing to monitor all of those walls including the sea wall, but that one because of the utilisation is not a high priority.

**CHAIR** - So, it might not be high priority, but is there an intention to deal with the maintenance issues there?

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**Mr DONALD** - Yes, there certainly is.

**CHAIR** - What sort of funds have been allocated for that?

**Mr DONALD** - Nothing at this point in time.

**CHAIR** - How much has been allocated to each of the other projects on the major ports that you've talked about.

**Mr DONALD** - We spend broadly around \$20 million, \$21 million per annum across our major ports in terms of maintenance.

**CHAIR** - Is that outlined here anywhere in the financial reports. I struggle to find -

**Mr DONALD** - In terms of the spend, I think there's a general description.

**CHAIR** - Can you show me where that is in the annual report, please?

**Mr DONALD** - Page 9 there's references to our asset investment, which is, again, a very general high-level discussion around the investment statewide and it's rolled up from a whole-of-asset perspective, so, it doesn't give you the granularity in terms of port locations or berths and wharfs, but I think you'll find that you'll get to see that as part of the condition inspection information that we've provided.

**CHAIR** - As the minister said, page 29, has this table that relates to maintenance. I assume that the orange one is for the current financial year we're looking at, not the one we are in now.

**Mr DONALD** - Yes.

**CHAIR** - Which is \$13 089 000, is that correct?

**Mr DONALD** - Yes.

**CHAIR** - So, how much of that has actually been spent?

**Mr DONALD** - All of it.

**CHAIR** - That's the total spend of it. Was there more budgeted than that?

**Mr DONALD** - No.

**Mr BRADFORD** - The board's reference is that the entire maintenance budget be spent. It's not an area we seek to cut back when times are tough.

**Mr DONALD** - We plan to continue to spend more and more each year.

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**CHAIR** - It has been dropping away until this most recent year when it has kicked up a bit. So, you're saying next year you'll spend more than \$13 089 000? Is that the case? What's the budget for this year then for maintenance, this year we're in?

**Mr DONALD** - I can't recall exactly what that this. I might ask someone to give me that detail, but I know it's significantly larger than last year. I think it's around \$1 million more than last year.

**Mr FERGUSON** - We'll roll that into the questions on notice.

**Ms LOVELL** - On page 9 you have referenced that \$20.1 million on remediation and renewal of existing port and marine infrastructure, and then on page 29, the table says \$13. something, where's the difference? \$13.089 million on maintenance. Where's the balance that goes to other - sorry, my question is probably not very clear. The 20.1 that talks about, on page 9, I'm presuming that 13.09 is part of that 20.1?

**Mr DONALD** - Yes.

**Ms LOVELL** - What else does that include other than this?

**Mr DONALD** - There's remediation projects including capital projects, and we can provide a detailed list of all that. It also includes dredging.

**Ms LOVELL** - Remediation is separate to maintenance?

**Mr DONALD** - Yes, and maintenance sweeping, that we call it, which is not quite dredging. It's the movement of sand within the river, if it's within the river, to remove berth pockets and/or the channels. That's part of our maintenance spend as well, we could provide some detail in that regard. It's particularly important in Devonport, being a river port.

**Ms LOVELL** - That work would be included in the 20.1, but not included in that 13.09 figure?

**Mr DONALD** - I think so, yes; and the maintenance sweeping that has been recently undertaken was in Devonport and Burnie. Hobart, being a deep water port, hasn't required any maintenance dredging or sweeping in recent years, however we did undertake some maintenance dredging work around one of the berth pockets at Macquarie Wharf for larger cruise ships about six years ago.

**Mr GAFFNEY** - It is sort of along the lines of maintenance. In preparation for the next, say, 30 years, when you look at a long-term plan, there is a worldwide strategy or a feeling that we should get away from fossil fuels as an energy source and look for others.

In the Asian market last year, there was about \$14.9 billion-worth of fibre market stuff; and then there's a whole look at biomass. In light of potentially different types of energy or whatever, what do you plan for that sort of thing? What would need to happen if we had a port that was able to contribute to that market, to help out the environment in the next 30 years or so. We are tending to get away from some of the more traditional sources and we are looking for future growth and so, how does TasPorts factor that into its planning?

**Mr DONALD** - It's a good question; certainly, there's opportunities in the north of the state, around Bell Bay and Burnie in particular, and we are interacting with a number of different proponents around their aspirations in that regard. Some of them are more bullish than others, in terms of their time frames. In terms of the infrastructure, I imagine it is sort of the traditional type of port infrastructure that would be required.

We have low asset utilisation across the state. What does that mean? Well, 27 per cent to 30 per cent of the time we have a ship at a wharf, which means that, broadly speaking, 70 per cent to 73 per cent of the time, it's vacant. So, our objective is to increase the utilisation of our assets, which would reduce the need to continue to invest to service additional customers.

Some of the work, particularly with renewables - around hydrogen and ammonia in particular - needs to be further progressed globally, particularly in relation to safety and environmental considerations; safety probably being the primary one. I am thinking 'what are the offset distances that are required for pipelines and conduits,' particularly if they're adjacent to an already hazardous facility like the fuel farm, as an example. We'll need to take guidance in relation to how appropriate exclusion zones are implemented; what sort of perimeter fencing; whether or not there's concrete encasement of pipes; all of those sorts of things. There's a lot of upside potential and certainly, Bell Bay has a large area of land that's very attractive.

We've recently implemented a market sounding exercise and we've had a large number of Australian and global entities express interest in the port of Bell Bay. The green power is attractive; the port proximity to Bass Strait; the proximity of the vacant land to the port; that is all attractive. If we added up all the area of land that proponents have an interest in, we probably have capacity to deal with one-twentieth, I'd say; probably even less. A lot of those proponents may ultimately choose not to progress their projects. I often talk about the opportunity as being a significant one, but it is a bit like a game of Tetris - we don't really know who's going to land first. We need to make sure that we make good decisions on behalf of the business and on behalf of the state.

**Mr GAFFNEY** - Yes. I'm hearing that TasPorts has the flexibility and the know-how; if there was something that could be advantageous for Tasmania in the future with its work there, that you could perhaps entertain that conversation with a viable customer.

**Mr DONALD** - We've got live conversations now, with those proponents. The extension to that is, what does it mean for TasPorts as an infrastructure owner and a service provider? Being a civil engineer, I'd like to think that I'm innovative at times, but I don't plan to be an early adopter of green concrete. I think the life expectancy of green concrete is perhaps a lot less than the traditional forms.

The balance into that equation is how our sustainability plan and decarbonisation targets over time challenge us in our thinking in that regard. We fuel our marine fleet using diesel fuel and we know that by 2040, the world is going to change in that regard. So, is it going to be electric tugs and electric pilot launches, or will it be hydrogen-fuelled or ammonia? We don't know. We don't plan to be an early adopter. We want to be a fast follower in that space.

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**Mr GAFFNEY** - Something like biomass and whatever would be on the horizon?

**Mr DONALD** - Yes.

**CHAIR** - Going back to the performance against statement of corporate intent, page 33. There is some asset management funding here. It says the full year budget was \$12.4 million and that actual full year was \$12.6 million, which in line with budget, but then that doesn't line up with your spend here of \$13 089 million which we just talked about.

I'm unclear as to why these figures don't line up. You can hold that one while we talk about the one above, capital expenditure. I note that the full year budget was \$ 114.9 million; only \$ 50 million was spent and there is a note that is in relation to the realignment of projects around QuayLink. I would imagine that's been a delay not a 'bring forward'. You said that you felt it was going to be on time -

**Mr DONALD** - A combination, I'd say; more so, good outcomes in procurement.

**CHAIR** - So, the budget that was set for it, you've managed to achieve below budget components on some of that.

**Mr DONALD** - Yes. That is why we're running to our budget. We have a high degree of comfort that we'll bring the project in within our budget. Our forecast final cost demonstrates that.

**CHAIR** - The Capex -

**Mr FERGUSON** - It's also timing, isn't it? You're not claiming [inaudible] other than a good procurement, but also the element of timing, which ultimately saves the business money as well.

**CHAIR** - Yes. So, the full year budget was \$ 114.9 million for Capex, which I assume is not just QuayLink. There would be other Capex -

**Mr BRADFORD** - Yes, but that's the big one.

**CHAIR** - Clearly. So, what other Capex is included in the \$52.986 million?

**Mr DONALD** - That we have expended or that we didn't expend?

**CHAIR** - Yes, expended in this financial year we're looking at. It's nearly \$3 million dollars there, just wondering which Capex that was.

**Mr DONALD** - Yes. Port of Bell Bay, berth 5 - fender replacement work; berth 6 - wharf remediation.

**CHAIR** - Isn't that maintenance?

**Mr DONALD** - It's not always maintenance. Fender replacement is capital. It's not maintenance.

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**Mr BRADFORD** - We're a taxpaying body, so we've got to apply the gains tax.

**CHAIR** - Right. Well, sometimes it's a bit hard to figure out what is maintenance and what is Capex in some of these things.

**Mr BRADFORD** - Yes, it is difficult.

**CHAIR** - Yes; that is why I'm asking you. So, Bell Bay. Is that the only other Capex?

**Mr DONALD** - Yes, port of Bell Bay. There's seabed levelling in Devonport; Mersey slip environmental rehabilitation -

**CHAIR** - I thought you said that was maintenance, though.

**Mr DONALD** - It is; but not always. Sometimes it's maintenance, sometimes it's capital. There is a difference, clearly; but yes, sometimes it's maintenance, operational expenditure, sometimes it's capital. A lot of the work that has recently been completed in Devonport is capital, but we have also undertaken maintenance sweeping as well, which is part of the OpEx budget. There are other wharf maintenance works networks -

**CHAIR** - I'm asking about the capital expenditure. I just want to focus on the capital expenditure.

**Mr DONALD** - Yes. I'm just running through the list per port. Port of Hobart: community safety improvements; wharf upgrade works; port tower maintenance works.

**CHAIR** - But that is not capital expenditure. Maintenance is not capex.

**Mr DONALD** - It depends on the description of the activities undertaken and whether or not it's rehabilitation or routine maintenance.

**Mr BRADFORD** - We might call it the Port Tower Maintenance Project which could include 30 per cent of upgrades which are capital in the accounting treatment. We give things code names so you understand them so we don't say the 'Port Tower capital and maintenance upgrade'. I know it sounds confusing.

**CHAIR** - It would be helpful if we did.

**Mr FERGUSON** - Chair, what you're looking for is a level of breakdown of the capital program in the last financial year -

**CHAIR** - Yes.

**Mr FERGUSON** - which I propose that we will take on notice and give you that. If there's any level of detail that's not at the table at the moment we should do that. We'll take it on notice, Chair, if that's okay.

**CHAIR** - Okay.

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On that then, the capital expenditure in the budget for this year too, I would appreciate that at the same time, minister, if you can add that to the list, unless you know what it is now?

**Mr FERGUSON** - Is that something that we would signal because then you may be compromising a procurement? I will ask you for that advice -

**Mr DONALD** - The overall budget -

**Mr FERGUSON** - A break down was requested -

**CHAIR** - No, just the overall budget. That's what I'm asking for on that.

**Mr DONALD** - I am happy to provide that.

**CHAIR** - If I look at the capex budget for this year, it was \$114.9 million and only \$50 million was spent so I'm asking what the budget is for this year we're in.

**Mr FERGUSON** - Got it.

**Mr EDMUNDS** - Has TasPorts raised any concerns with the Government or Macquarie Point Development Corporation about the proposed plans for a stadium at Macquarie Point? If so, what are they?

**Mr DONALD** - No, we haven't.

**Mr BRADFORD** - There is no connection from our point of view between Mac 456 development and current operations and the development of the football stadium. It is totally separate. Both of us have masterplans which work together.

**Mr EDMUNDS** - On that point, how will freight access the port if the stadium goes ahead?

**Mr DONALD** - Through road access, either through the current location or through the provision of what we describe as the northern access route.

**Mr EDMUNDS** - How will trucks enter and exit at the Tasman Highway? Will infrastructure upgrades be needed on the Tasman Highway?

**Mr DONALD** - That's a matter for State Growth. I'd say the answer to that is, 'yes' and it probably comes down to the size -

**CHAIR** - There is no road there at the moment.

**Mr DONALD** - In terms of the northern access route? I think the question is relating to how the northern access route connects back into the highway. Is that correct?

**Mr EDMUNDS** - Yes, access to the port.

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**Mr DONALD** - There would clearly need to be work undertaken in that regard. I would imagine that the detail and the ultimate cost of that work will be largely informed by the size of the trucks that are enabled or allowed and we are talking about B-doubles, B-triples, any other future requirement.

There is consideration relating to over-gauge or over-size movements as well and we often see large construction components in. Recently, we provided a lot of support for the Bridgewater Bridge Project with the provision of barges and large components coming in. They didn't have the need to move off the port via the land, but as a port operator, we often have to give that consideration. What are the over-dimensional requirements that we might not want to prevent in the future.

**Mr EDMUNDS** - Is TasPorts expecting to have freight access via Evans Street?

**Mr DONALD** - It would need to be clearly one or the other.

**Mr EDMUNDS** - Does TasPorts have any concerns about government plans to build housing so close to a working port?

**Mr DONALD** - No. We would have some advice with respect to design standards and acoustic treatments, in particular. We already have residents close to the working part of the port in Hobart. We have that in some of our other locations too, particularly in Burnie and Devonport. The Port of Hobart and the Hobart city has been developed around the port and I'd like to think that there's a high degree of ownership from each community around the port.

Social licence is important from our perspective and we don't take that for granted but we need to work in together to make sure that our working port can still operate in conjunction with business and community living.

**Mr FERGUSON** - Mr Edmonds, I'd like to add to that. This is a really important question. We've been asked questions on a similar theme on numerous occasions, including by enterprises that rely on Hobart being a working port, have traditionally relied upon it to be a working port and have occasionally sought assurances from government that in the future, it will continue to be relied upon as a working port.

Now, ports are semi-industrial areas. They have noise at times, they have dust at times, they have impacts of goods and people being move onto and off vessels. The Government's position is really clearly on it. I want to take this opportunity to back it in again with yourself that the Government's position is that Hobart Port will continue to be a working port. Hobart's a port city and we all understand that we like neighbours to get along and we like coexistence to be something that is well understood, well in advance of future developments.

As the Macquarie Point Precinct Plan is being advanced by the Premier and our government through the Macquarie Point - not just the stadium but the precinct generally - one thing needs to be very clearly understood and I put it on the record whenever I get the opportunity, is that Hobart Port will be supported as a working port. Other future users that might come near to Hobart Port will need to recognise and accommodate that starting principle. I take the opportunity to make that recommitment here today.

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**Mr EDMUNDS** - I appreciate it.

**Mr BRADFORD** - We should also say if, Ms Lovell, has made statements outside that TasPorts has a poor culture, I invite her to ask me for examples of poor culture and how we've addressed it. I'll talk about the dog food, I'll talk about the inappropriate treatment of women and what we did. We haven't got a poor culture. We've got a strong leadership group and a very nurturing group of people.

**Ms LOVELL** - I think we've had a long discussion about culture.

**Mr BRADFORD** - I take great offence at what you put in a press release. I couldn't be more offended. Sorry, Chair.

**Ms LOVELL** - I am happy for you to provide us with some evidence contrary to -

**CHAIR** - Order. I don't think this is the forum -

**Mr BRADFORD** - These are the people you're defending. The people you're saying - well, you are, the people who have a poor culture. One gentleman gave another employee a can of dog food. On the waterfront that means a very clear message. That's who you're defending. We fired him. Another person was abusive over -

**CHAIR** - I think we should stop. I'm going to ask you all to -

**Mr BRADFORD** - I apologise, Chair. I just get so upset when people make unnecessary comments which just aren't true.

**Mr FERGUSON** - Chair, it wasn't in response to a question but I know that Mr Donald at the right time will have more information on the cultural piece. It's a point that I've made at these scrutiny hearings on more than one occasion and I've stood by management of this business in times where I was aware of these - the dog food is just one. I think that is one of the more tame ones, where poor culture has dogged this business in the past.

Mr Donald inherited a business that had a toxic culture, a poor culture and poor treatment of fellow human beings. I've deliberately ridden the journey with all of the bumps along the way and suffered ridicule because of industrial activists who have wanted to undermine the management as they have been progressing through what needed to be a completely new cultural encouragement program, that's been progressing.

Previously at this hearing, I've given a commitment to come back with information that I would have thought in good faith, I took the question on notice in good faith and I share the sense of offence. This media release, while we are sitting here, says that 'throughout Tas Port's hearings today's there's been a recurring theme of poor culture that has entrenched and permeated through the whole organisation'. It seems to me like I haven't been in the same hearing because that is not what I believe has been a recurring theme through this hearing. I think it is poor form and people are here to defend and answer questions honestly and faithfully but that doesn't feel like good faith to me at all.

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**CHAIR** - With due respect, minister, we need to wrap this up, but some of the questions the committee has asked, one would have thought they would have been available to the committee to be able to scrutinise the organisation, as and now.

**Mr FERGUSON** - That's fine and I respect and understand exactly where you are coming from. In the situation where that information was not and I took it on good faith. I gave you freedom to approach all these people with direct questioning without trying to own them all and try to be as open and as transparent as - this is poor.

**CHAIR** - Which is how the Standing Orders of this committee operates under and enables.

**Mr FERGUSON** - Again, I offered the courtesy without wanting to try to be too guarded about it. I just feel that is poor form, that in a different committee, which you will have no interest in, I have had these two gentlemen accused of breaking the law. It just has to stop. It is just not fair. You talk about toxic culture. It is the Labor Party members who are doing it in both committees.

**CHAIR** - Order. I will not allow this. We will call the hearing to a close. It is 3.00 p.m. we finish at, isn't it?

**Members** - 3.30p.m.

**CHAIR** - My mistake, I thought it was 3.00 p.m. and I thought we were going over time. My apologies.

**Mr FERGUSON** - I do not apologise for my comments, I stand by them.

**Mr EDMUNDS** - I will move things on. This story about the credit cards has come to me. Can I ask you a couple questions about that, please and try to leave the last five minutes behind us? Can you give a breakdown of how much was actually spent on credit cards before the decision was made to stop spending the money?

**Mr BRADFORD** - I will go back a bit and explain what we dealt with, because it does get to culture as well.

**Mr EDMUNDS** - I am not interested in raking up old coals here. I want to ask a question specifically about something that is in the public domain.

**Mr BRADFORD** - The issue of credit cards is a few months ago an anonymous group of employees wrote to each director at their home address. Their letter made a number of allegations about a section of the business. When I read it and I talked to my fellow directors, we gave it to our internal audit externally to review it and do a report. They gave us the report, which largely said the employees' anonymous allegations were correct. They fell into two baskets: the inappropriate use of credit cards; and expenditure on issues that should not have been spent, round-robinning, people circulating who approves what. Secondly, whilst the accounting controls were reasonable, their application was poor.

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We asked the CEO to deal with that. One of the outcomes is credit cards have been removed from a large number of people. We are still using credit cards - we pay people quickly - but there are not so many company credit cards. We have dropped from an unbelievable number of 190 to 121, a much smaller number. The amount of money possibly lost through this exercise - I briefed Auditor-General yesterday - I cannot be definitive because there is still work to do, but it is in the range \$7000 to \$10 000. Immaterial in relation to our accounts, but in terms of the nature, giving gifts to people when they are leaving, rewards not going through the appropriate process, and a bit too much alcohol drunk. That goes to culture, which Mr Donald addressed very quickly.

**Mr EDMUNDS** - Were there any efforts or processes followed or available to you to recoup that money?

**Mr BRADFORD** - That has occurred and is occurring. That is why I am not specific on the amount, because it has a little way to go.

**Mr EDMUNDS** - Did you say you had briefed the Auditor-General?

**Mr BRADFORD** - I previously briefed the Auditor-General about the matter and yesterday I updated him. My original estimate on the losses was \$50 000 and that has dropped. That is an example of poor culture and was addressed very quickly. The people involved were a very small cohort of people, but at the senior end of the business.

**Mr EDMUNDS** - That has led to policy changes within the organisation?

**Mr BRADFORD** - Yes.

**CHAIR** - What policy changes has it led to specifically?

**Mr BRADFORD** - Specifically, the consumption of alcohol now is not supported unless specifically approved by the CEO. Given the nature of the industry we are working, there is nothing really abnormal about that. Secondly, credit cards are now personal cards where people have to make claims, which we deal with very promptly.

**CHAIR** - There are no corporate credit cards anymore?

**Mr BRADFORD** - We are down to about 10. I personally do not support corporate credit cards.

**CHAIR** - How many were there?

**Mr BRADFORD** - There were 121. Of those 121 people, over a 105, 110 are not involved in this.

**CHAIR** - I'm not suggesting that. It is an extraordinary number of corporate credit cards to be in any organisation, even though an organisation spread around the state.

**Mr DONALD** - Some businesses go the other way though, and they give corporate credit cards to every employee and they have a different set or different culture associated

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with making sure that everything goes on that credit card with 100 per cent accountability. There is different ways to do it, but the approach we have taken is to remove credit cards from our business.

**Ms LOVELL** - I think you said people use personal credit cards and they are reimbursed. Under what circumstances would people need to do that?

**Mr BRADFORD** - For any business related to expense. An example would be having coffee with a customer: they buy the coffees, they claim the money back; dinner and accommodation when travelling, lunches with customers, that type of thing.

**Ms LOVELL** - Are there arrangements in place for people who might not want to or be in a position to use a personal credit card?

**Mr BRADFORD** - The system that the new CFO is putting in guarantees the payments of those personal credit cards. If there are personal issues because of matters of finance of individuals, we deal with that separately.

**CHAIR** - Do you have to update your full control measures as a result of this? What other more specific broad control?

**Mr BRADFORD** - Yes, rather than update, more apply them.

**CHAIR** - So, they were there, but they weren't being applied, is that what you are saying?

**Mr BRADFORD** - Yes, one was the issues themselves and the second issue was the finance team should have picked it. He was gone for seven or eight months, it wouldn't have been hard to spot.

**CHAIR** - So is this part of the reason why the CFO, who'd only been there short time, exited the business?

**Mr DONALD** - The CFO resigned from his employment.

**CHAIR** - Was he asked to resign?

**Mr DONALD** - No, he offered his resignation.

**CHAIR** - After this was brought to his attention?

**Mr DONALD** - Yes.

**CHAIR** - Was he provided with any termination payment of any sort?

**Mr DONALD** - It was strictly in accordance with his contract.

**Mr EDMUNDS** - Do we know that number or will that be reported?

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**Mr DONALD** - Yes, it will be recorded in next year's annual report.

**Ms LOVELL** - Would he have been entitled to the same payout if his employment had been terminated?

**Mr DONALD** - That depends on the circumstances of his termination.

**Mr BRADFORD** - Very distressing incident and reflected poorly on too many people who weren't involved. Mud sticks, as Mr Edmunds' raised. People have talked about it. A vast majority of people wouldn't even think of doing.

**Mr FERGUSON** - Just letting you know we have extra answers when you're ready.

**CHAIR** - With regard to the new CFO appointed, what process was taken to appoint a new CFO?

**Mr BRADFORD** - Ms McDonald is here today. That was done a different way because of the urgency. Our director head had ordered an immediate search to find someone quickly, like, in days to bring into the business and the new CFO started on Melbourne Cup Day.

**CHAIR** - So you didn't consider putting in an interim appointment?

**Mr BRADFORD** - We did for short period of time, but the head of the finance and audit committee, a very well rounded, experienced finance person herself, felt it needed - colloquially - a heavy hitter specifically in financial controls and assistance. Can't say I disagree. It has been an excellent choice.

**CHAIR** - I'm not questioning the choice. I'm just asking about the process. It's not about the person. It's never about the person here.

**Mr BRADFORD** - The process was very truncated because time was of the essence. In the new year, we will go to market for a permanency.

**CHAIR** - It's not a permanent CFO then?

**Mr BRADFORD** - No, it's contract.

**CHAIR** - That was the point I was making.

**Mr BRADFORD** - Sorry, I misunderstood that. When time is of the essence, I like to move very quickly.

**Mr DONALD** - Yes, I've got a further response on the underwater sweeps, where they're undertaken each visit for patrolling tankers, cruise vessels, and any vessel deemed by CISC - who is the regulator - to be high risk or mid-level risk. In the reporting period we had two non-conformances.

**CHAIR** - That's a correction of the record, because you said one?

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**Mr DONALD** - Yes. In December 2022 we had an incorrect security signage on the sweep vessel.

**CHAIR** - What does that mean?

**Mr DONALD** - Well, there must be a sign on the vessel that indicates what it's doing, I'd imagine.

**CHAIR** - What it's doing?

**Mr DONALD** - Yes, in terms of the sweep and the inspection.

**Mr FERGUSON** - Mr Donald, I think, and I don't want to put words in your mouth, are you saying that it was swept, but it didn't have the correct signage?

**Mr DONALD** - Yes.

**CHAIR** - Right, and where was that?

**Mr DONALD** - That was in Hobart in December 2022 and the second one occurred in April 2023, performed outside of the specific time window. The sweep was performed, but it was outside of the specific time window.

**CHAIR** - And where was that?

**Mr DONALD** - That's Hobart as well, I understand.

**CHAIR** - When did the additional training and that start, or updates for staff about the importance of this work?

**Mr DONALD** - My understanding is that occurred after April 2023. In response, TasPorts now has updated all processes and now has a defined surface-level agreement for the activity. I think it's a breakdown in changed management, so the requirement for the sweep was included in the maritime security plan and not effectively changed.

**CHAIR** - That was a change, when it was included in the security plan?

**Mr DONALD** - Yes.

**CHAIR** - So, is this a new thing, that the sweeps have got to be-

**Mr DONALD** - I don't know whether or not it's completely new, but I know that there was a change to the requirement and so our plan was updated to reflect the change, I'm not across the specific detail of the quantum of that change. I do understand that the root cause of the failure was that the change implementation within our operational staff wasn't effective, and that's been corrected.

**Mr FERGUSON** - Don't you have more information?

**Mr DONALD** - No, that's it.

**Mr FERGUSON** - You have some papers to table?

**Mr DONALD** - We've got a copy of the information in relation to the psychosocial program I'm happy to table and provide. What actions did we take during the project in relation to the Menzies Institute work? We included mental health objectives in our health and safety and environmental policy, number two, we create a psychologically healthy and safe workplace, was words added as one of the four critical objectives in the 2023-25 Health and Safety Strategy.

We drafted the new TasPorts Safety Management Systems Manual to reflect activities in the ISO standard, that we will receive further detailed advice on 4 December in relation to that. We've increased the amount of mental health first-aiders from 12 in TasPorts, to 62. We've trained 50 workers in mental health first-aid in 2023, we had 12 existing workers who undertook refresher training, so mental health first-aid. 28 of the 62 mental health first-aiders expressed an interest to become mental health first-aid officers, an assessment of their suitability to become an officer has been conducted and additional training and support organised to support them in their role. This is due to be launched in early-2024 and then training is ongoing through to December 2024.

We developed an introduction to ISO 45003 presentation and delivered it to all members of the people and culture team, safety team, legal governance team, health and wellbeing committee and mental health first-aiders with the objective of increasing the awareness of the requirements of the ISO standard and developed mental health first-aid officer networks. We've prepared a draft mental health first-aid officer's guideline with the intent to extract from the purpose and scope sections of the guideline and the objective is to help achieve a psychologically healthy and safe workplace, TasPorts will provide training and support services to be able to support workers in accordance with this guideline to become TasPorts mental health first-aid officers in order to encourage all workers to speak openly about mental health and being able to access early intervention.

The guideline outlines TasPorts' approach to mental health first-aid officers in the workplace to promote and enhance a working environment consistent with TasPorts' values and to develop a strong and positive safety culture that promotes an environment of fairness, openness, and trust.

**CHAIR** - Just on that, it's great that there's a lot of mental health support and the willingness to create positions where you've mental health support people, but psychosocial health is much broader than mental health or poor mental health. It is about confidence, respect and trust to be able to raise matters. One of the really important parts of training I don't think has even been mentioned is bystander training. Bystanders can make the biggest difference, if they do it safely. To be a safe bystander, you need to know how to do it. This may come out of the work being done, but hope that would be something considered.

**Mr DONALD** - I can confirm we have rolled out as part of the care factor program for over five years, one of the modules relates to the bystander effect.

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**CHAIR** - The bystander effect, that's different from bystander training.

**Mr DONALD** - Yes, we have provided specific training on how to correlate that.

**CHAIR** - It is specific training, bystander training.

**Mr DONALD** - We will have a look at that. Thank you.

**CHAIR** - Yes, if you're going to create a culture where people are safe to report, behaviour safety or other things, they need to do it safely for themselves as well as for the other person.

**Mr BRADFORD** - That's why we did a little bit of detail today about the anonymous letter, because we can't respond to people anonymously on what action we took. They would see it, yet people made complaints and they were spot on.

**CHAIR** - Are those two documents you're tabling.

**Mr DONALD** - Yes

**Ms LOVELL** - You said at the start that was in response to the work the Menzies Institute did, but you said earlier their risk assessment was done by TasPorts, that wasn't the work that Menzies is doing.

**Mr DONALD** - Menzies is facilitating a program where TasPorts is participating in that program. The risk assessment was undertaken in June 2023, by TasPorts employees with cross representation across the workforce.

**Ms LOVELL** - Was Menzies involved in that?

**Mr DONALD** - Yes.

**CHAIR** - It's a bit confusing because it appears there is two things going on, one is the one that TasPorts done with the risk assessment.

**Mr DONALD** - Which is part of the Menzies program.

**CHAIR** - Right, so that will feed into a Menzies Report?

**Mr DONALD** - Separately I think, which will be helpful, I'm happy to provide a written explanation of the exact nature, milestones, elements of the Menzies program and our interface with that program, outputs and timeframes.

**CHAIR** - If I could go to page 81 which talks about your key management personnel disclosures. Minister, on what basis are the short-term incentive payments paid?

**Mr FERGUSON** - Yes, chair I'm going to ask you to take this one.

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**Mr BRADFORD** - They come to the board with a recommendation from management, they are primarily from an agreed set of KPIs that the executive: (a) has to perform to be eligible for a bonus; and (b) what he or she has to perform over and above that to be paid a bonus.

That would be the ones you're looking at referring to the bonuses paid in August 2022, not the most recent ones and we thought they were fair and reasonable.

**CHAIR** - Mr Casey was paid a bonus of \$32 000.

**Mr BRADFORD** - Yes and he earned it. Yes, deserved it. He was paid a bonus of \$32 000 in August 2022, he left the organisation in September 2023.

**CHAIR** - Was his position terminated?

**Mr DONALD** - Yes.

**CHAIR** - There must have been a significant change in performance.

**Mr BRADFORD** - No, it wasn't performance related. Culture. The TasPorts salaries compared to the open market for ports in Australia. Often councils look at the bonuses and think they're high, they actually are quite low. The salaries are quite low by the port sector nationally, so we're not adverse to paying bonuses for good performance. We want the executives to perform.

**CHAIR** - It is a matter of perspective, isn't it?

**Mr BRADFORD** - Yes, it is, very much so. Later this year, with a very high profit which was part of the key objectives and the success of QuayLink. Yes. They have done well.

**CHAIR** - There has obviously been one termination in this recent financial year, do you only use internal legal advice on those matters or utilise external legal advice?

**Mr BRADFORD** - Because of legal cases we've have, we are heavy users of external advice as well as getting advice internally. We are not averse to using -

**CHAIR** - Can you tell me how much in this financial year we're looking at was spent on legal costs?

**Mr BRADFORD** - It's there. I could guess, but I won't guess.

**Mr DONALD** - I don't remember seeing that in there.

**Mr BRADFORD** - A figure of \$ 2 million comes to mind, but it could be higher.

**CHAIR** - I would have thought a bit higher than that, in total.

**Mr DONALD** - Could be.

## PUBLIC

**Mr BRADFORD** - We've a number of cases running, particularly the ones you have mentioned earlier.

**CHAIR** - That's right.

**Mr DONALD** - We might have to take that one on notice, but happy to provide it.

**CHAIR** - I assumed -

**Mr DONALD** - Other than out of respect for our in-house legal, our objective is to minimise external legal spend. We don't choose to but where it's appropriate, we will absolutely use external legals to defend and take advice on specialist complex matters.

**Mr BRADFORD** - It's certainly far higher than you would expect.

**Mr DONALD** - I would probably forecast that will continue for at least while the federal court cases remain open.

**CHAIR** - Note 3 on page 58 has *Goliath* incident cost. I assume most of those in this would be the costs of recovery and that sort of thing and not legal costs in that?

**Mr DONALD** - That's correct.

**CHAIR** - So can you provide a breakdown of -

**Mr DONALD** - Sorry. I'm not sure whether or not there's a -

**CHAIR** - There may be some legal in that?

**Mr DONALD** - May be some legal in that.

**CHAIR** - What I'm asking for because I couldn't find anything myself reading through. Is the -

**Mr BRADFORD** - Under the guidelines in the annual report, lawyers are not classed as consultants, which is why they're not separated out, but we will separate the number.

**Mr DONALD** - We'll obtain the number if we can take it on notice.

**CHAIR** - Yes. I would like them separated out to your costs associated with *Goliath* incident and other legal costs.

**Mr DONALD** - I'm not sure whether or not we would provide that. We would probably be happy to provide general legal costs, but I would have to take advice with respect to any details of legal costs on the *Goliath* incident, until the end -

## PUBLIC

**CHAIR** - It would just be helpful to know, we do accept the *Goliath* thing is an expensive legal process. Once you end up in court, it's always going to cost you buckets of money.

**Mr BRADFORD** - There are some others we would not wish to disclose to -

**CHAIR** - I'm only asking you to say that and all the others together.

**Mr BRADFORD** - *Goliath*, there's one figure and everything together.

**Mr FERGUSON** - Courts show an interest in claims on legal fees and we will definitely need to consider how much we might be able to provide in an answer. We will do our best.

**CHAIR** - Okay. Any other questions? We are nearly out of time now. Any closing comments, minister?

**Mr FERGUSON** - No, only thank you to the committee. Everything we have said, we stand by. We have taken the number of questions in good faith on notice. We will do our best to provide them as soon and won't wait until the 15 to answer you. We will do our best to answer them promptly as we are able. I think we are providing those two documents, are we not?

**CHAIR** - Yes. You can probably pass those. Thank you.

**THE WITNESSES WITHDREW.**

**The Committee suspended from 3.29 p.m. till 3.45 p.m.**