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7 March 2025

Simon Scott
Committee Secretary
Parliamentary Standing Committee of Public Accounts
Parliament House
Hobart TAS 7000

Dear Simon

Re: TT-Line Spirits Project

Thank you for the opportunity to make this submission regarding the TT-Line Spirits Project in Tasmania, which we trust will be considered by the Joint Selection Committee.

On behalf of the Board of DairyTas, I am writing to express our strong support for the initiatives aimed at assisting the Tasmanian tourism industry and local producers during the delays in the delivery of the new Spirit of Tasmania vessels.

DairyTas represents the dairy industry in Tasmania, which comprises over 350 farms across the state, and the current lack of additional TT-Line capacity is a significant concern. Freight costs are already high for our dairy farmers, and the absence of extra ferry capacity will only increase these costs, adding further strain on our industry. While a freight equalisation scheme is in place to support our farmers, we believe it may need to be reviewed and potentially enhanced in the short term to account for the current capacity constraints. This would ensure that freight costs remain manageable while the new vessels are being brought into service.

To support our industry during this time, the DairyTas Board supports the following measures:

1. **Review and Adjustment of the Freight Equalisation Scheme:** We recommend that the freight equalisation scheme be reviewed and adjusted for the short term to better address the increased freight costs arising from the limited ferry capacity. This adjustment could help alleviate the immediate pressures on dairy farmers and other local producers who rely on affordable transport services.
2. **Alternative Transport Solutions:** In the interim, we encourage exploring alternative transport methods, such as air freight or the use of other ports, to help mitigate the challenges faced by local industries and ensure goods continue moving efficiently.
3. **Support for Tourism Operators:** We also support providing financial incentives to tourism operators to help them adapt to the reduced ferry capacity. This support will help sustain jobs and services within the tourism sector. Additionally, fostering partnerships between tourism operators and local producers could create unique experiences that benefit both industries.

Once the new Spirit of Tasmania vessels are operational, the DairyTas Board believes the following actions will help maximise long-term benefits for the state:

- **Increased Freight Capacity:** The additional ferry capacity will provide much-needed relief by reducing freight costs, benefitting local producers like our dairy farmers and enhancing competitiveness.
- **Regional Tourism Growth:** The expanded ferry capacity will also offer an opportunity to promote regional tourism, supporting businesses across Tasmania and encouraging broader economic growth.

Finally, we emphasise the importance of strong governance and oversight to ensure the successful and timely delivery of the Spirit of Tasmania vessels. Ongoing coordination between TT-Line, TasPorts, and the Tasmanian Government will be essential to keeping the project on track.

The DairyTas Board fully supports the Committee's efforts to address these issues and maximise the benefits once the new vessels are in service.

Yours sincerely



Luke McNab
Chair of DairyTas Board