



PARLIAMENT OF TASMANIA

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE 2025

REPORT

Brought up by Ms Burnet in accordance with the Resolution of the House.

MEMBERS OF THE COMMITTEE

Ms Burnet (Chair)
Mr Fairs (Deputy Chair)
Mr Bayley
Ms Johnston
Mr Vermey
Mr Willie
Mr Winter

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Monday, 24 November 2025

The Committee met in Committee Room No. 1, Parliament House, Hobart, at 9:00 a.m.

Members Present:

Ms Burnet (Chair)
Mr Fairs (Deputy Chair)
Mr Vermey
Mr Winter
Mr Bayley
Ms Johnston

The Committee commenced its examination of the Tasmanian Public Finance Corporation.

The following witnesses appeared and were examined by the Committee in public: -

Hon. Eric Abetz MP, Treasurer

Tasmanian Public Finance Corporation:

Gary Swain, Chair
Heath Baker, Chief Executive Officer

At 9:35 Mr Bayley withdrew.

Examination continued.

At 9:36 Mr Bayley returned to the Table.

Examination concluded.

The witnesses withdrew.

Suspension of sitting 10.00 a.m. to 10.01 a.m.

Members Present:

Ms Burnet (Chair)
Mr Fairs
Mr Vermey
Ms Haddad (substitute for Mr Willie)
Dr Woodruff (substitute for Mr Bayley)
Ms Johnston

The Committee commenced its examination of the Public Trustee.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Eric Abetz* MP, Treasurer (as Acting Attorney-General)

Public Trustee:

Therese Taylor, Chair

Todd Kennedy, Chief Executive Officer

At 11.27 a.m. *Ms Johnston* withdrew.

Examination concluded.

The witnesses withdrew.

Suspension of sitting 11.57 a.m. to 1.00 p.m.

Members Present:

Ms Burnet (Chair)

Mr Vermey

Mr Willie

Ms Dow (substitute for *Mr Winter*)

Mr George (substitute for *Ms Johnston*)

Also at the Table:

Mr Di Falco

The Committee commenced its examination of TT- Line Company Pty Ltd.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Kerry Vincent* MLC, Minister for Infrastructure and Transport.

TT- Line Company Pty Ltd:

Ken Kanofski, Chair

Chris Carbone, Chief Executive Officer

Papers: - The Minister for Infrastructure and Transport tabled the following paper:

- “Herbert Smith Freehills Kramer letter to Auditor-General of Tasmania dated 24 November 2025: TT-Line Company Ltd. – Auditor-General’s report on the financial statements of State entities (Volume 2)”

Examination of TT-Line Company Pty Ltd continued.

At 2.03 p.m. *Mr Di Falco* withdrew.

Examination of TT-Line Company Pty Ltd continued.

At 3.03 p.m. Mr *Willie* withdrew.

Examination of TT-Line Company Pty Ltd continued.

At 3.22 p.m. Mr *George* withdrew and was replaced by Ms *Johnston*.

Examination of TT-Line Company Pty Ltd continued.

At 3.23 p.m. Mr *Fairs* came to the Table.

Examination of TT-Line Company Pty Ltd continued.

At 3.43 p.m. Mr *Fairs* withdrew.

Examination of TT-Line Company Pty Ltd continued.

Examination concluded.

The witnesses withdrew.

The following additional information was requested:

Tasmanian Public Finance Corporation:

1. Can you provide a breakdown of forecast client advances as at the end of the forecast period?

Public Trustee:

1. What is Government considering implementing from the recommendations of the Tasmanian Law Reform Institutes (TLRI's) recent paper "Safeguarding Against the Abuse of Older Tasmanians"?
2. Is the Government aware of concerns that the *Family Violence Act 2004* does not cover situations where the perpetrator is a child of the victim (either a minor or adult child)? And is the Government considering amendments to the *Family Violence Act 2004* to change this?
3. What is the Government doing to prevent elder abuse?
4. What can the Government share about negotiations for the new Community Service Obligation (CSO) agreement with the Public Trustee as the existing agreement expires 30 June 2026?

TT – Line Pty Ltd:

1. Can you provide details of where TT-Line are sourcing fuel for the Spirit vessels i.e. is there any likelihood that it comes originally from Russia? Is fuel bought through a 3rd country if not directly from Russia?
2. What is the timeframe for installation of the gantry? Please provide a date.
3. What is the timeline for TT-Line to meet requirements for carbon emission reduction? What amount of carbon emissions does TT-Line need to reduce by?
4. Please provide details of the work carried out by consultants under \$50k and how many of these relate to Berth 3 work?
5. What steps were taken to manage potential conflicts of interest in the procurement process in the previous term, specifically with Liferaft Systems Australia, which was owned by the CEO at that time, Mike Granger?
6. Please provide details of crew and staff employed by TT-Line based in:
 - a. Tasmania; and
 - b. the mainland.
7. What is the reduction in carbon emissions expected from using LNG in the dual fuel systems?
8. Please provide an update on road works in partner with TasPorts, Devonport City Council, and State Growth required for traffic flow on/off the new ships and ancillary activities onsite with details on:
 - c. budget;
 - d. timeframe for commencement and completion; and
 - e. timeframe for tender for works.
9. Do log trucks or other freight get preferential treatment resulting in tourists being unable to book?

At 4.00 p.m., the Committee adjourned until 8:45 a.m. tomorrow.

Confirmed

Date: 3/03/26 Chair: H Burnett

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tuesday, 25 November 2025

The Committee met in Committee Room No. 1, Parliament House, Hobart, at 8:47 a.m.

Members Present:

Ms Burnet (Chair)
Mr Shelton (substitute for *Mr Fairs*)
Ms Finlay (substitute for *Mr Willie*)
Ms Johnston

Also at the Table:
Prof Razay

The Committee commenced its examination of Tasmanian Irrigation.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Gavin Pearce* MP, Minister for Primary Industries and Water

Tasmanian Irrigation:
Kate Vinot, Chair
Mike Sylvester, Chief Executive Officer
Sue Whidborne, Chief Financial Officer

At 10:44 *Prof Razay* withdrew.

Examination continued and concluded.

The witnesses withdrew.

Suspension of sitting 10.45 a.m. to 10.49 a.m.

Members Present:

Ms Burnet (Chair)
Mr Shelton
Ms Finlay (substitute for *Mr Willie*)
Mr Bayley
Ms Johnston

Also at the Table:
Mr Di Falco
Mr Garland

The Chair read the following correspondence from the Speaker:

25 November 2025

Ms Helen Burnet MP
Chair
Government Businesses Scrutiny Committee
Parliament House
Hobart

Dear Chair

In accordance with the provisions of the Resolution appointing Government Businesses Scrutiny Committee, paragraph 3, I hereby nominate:

Mr Mark Shelton MP as a substantive member of the Committee in substitute for Mr Rob Fairs MP for 25 November 2025.

As Mr Fairs is also the Deputy Chair of the Committee, I advise that Mr Marcus Vermey MP will substitute as Deputy Chair for 25 November 2025.

Yours sincerely

Hon Jacquie Petrusma MP
Speaker

The Committee commenced its examination of Tasmanian Networks.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Nick Duigan* MLC, Minister for Energy and Renewables

TasNetworks:

Roger Gill, Chair

Sean McGoldrick, Chief Executive Officer

Michael Westenber, Executive Finance and Regulation

Renee Anderson, Executive People and Stakeholder

Chantal Hopwood, Executive Governance

At 12.30 p.m. Mr *Di Falco* withdrew.

The Committee continued its examination of Tasmanian Networks.

At 12.44 p.m. Ms *Johnston* withdrew.

The Committee continued its examination of Tasmanian Networks.

Papers: - The Minister for Energy and Renewables tabled the following document:

“Unassisted Pole Failures (2012-2025)”

Examination concluded.

The witnesses withdrew.

Suspension of sitting 1.00 p.m. to 2.00 p.m.

Members Present:

Ms Burnet (Chair)
Mr Shelton
Ms Finlay (substitute for Mr Willie)
Mr Bayley
Ms Johnston

Also at the Table:

Prof Razay
Mr George

The Committee commenced its examination of Aurora Energy.

The following witnesses appeared and were examined by the Committee in public: -

Hon. Nick *Duigan* MLC, Minister for Energy and Renewables

Aurora Energy:

Trevor Danos, Chair
Nigel Clark, Chief Executive Officer
Nicole Hunt, Chief People Officer
James Chisholm, Chief Financial Officer
Alistair Burke, Chief Digital Transformation Officer
Ian Hermanis, Acting Chief Operating Officer
Will Barbour, Chief Customer Officer

At 3.16 p.m. Mr *George* withdrew.

The Committee continued its examination of Aurora Energy.

At 3.24 p.m. Ms *Johnston* withdrew.

The Committee continued its examination of Aurora Energy.

At 3.28 p.m. Ms *Johnston* returned to the Table.

The Committee continued its examination of Aurora Energy.

Examination concluded.

The witnesses withdrew.

Suspension of sitting 4.00 p.m. to 4.05 p.m.

Members Present:

Ms Burnet (Chair)
Mr Shelton
Ms Finlay (substitute for Mr Willie)
Mr Bayley
Mr Razay (substitute for Ms Johnston)

Also at the Table:

Mr Garland

The Committee commenced its examination of Hydro Tasmania.

The following witnesses appeared and were examined by the Committee in public: -

Hon. Nick *Duigan* MLC, Minister for Energy and Renewables

Hydro Tasmania:
Richard Bolt, Chair
Rachel Watson, Chief Executive Officer
Tim Peters, Chief Financial Officer

At 4.21 p.m. Mr *Di Falco* took a seat at the Table.

Examination of Hydro Tasmania continued.

The Chair read the following correspondence from the Speaker:

25 November 2025

Ms Helen Burnet MP
Chair
Government Businesses Scrutiny Committee
Parliament House
Hobart

Dear Chair

In accordance with the provisions of the Resolution appointing Government Businesses Scrutiny Committee, paragraph 3, I hereby nominate:

Mr Mark Shelton MP as a substantive member of the Committee in substitute for Mr Marcus Vermey MP for the remainder of the proceedings today.

And Mr Fairs is now resuming his position as substantive Member and Deputy Chair of the Committee.

Yours sincerely

Hon Jacquie Petrusma MP
Speaker

Examination of Hydro Tasmania continued.

At 4.39 p.m. Mr *Di Falco* withdrew.

Examination of Hydro Tasmania continued.

At 5.49 p.m. Mr *Bayley* withdrew.

Examination of Hydro Tasmania continued.

At 5.51 p.m. Mr *Bayley* returned to the Table.

Examination of Hydro Tasmania continued.

At 5.54 p.m. Mr *Garland* withdrew.

Examination of Hydro Tasmania continued.

At 5.59 p.m. Mr *Shelton* withdrew.

Examination of Hydro Tasmania continued.

At 6.01 p.m. Mr *Shelton* returned to the Table.

Examination of Hydro Tasmania continued.

At 6.03 p.m. Ms *Finlay* withdrew.

Examination of Hydro Tasmania continued.

At 6.05 p.m. Ms *Finlay* returned to the Table.

Examination of Hydro Tasmania continued.

At 6.17 p.m. Prof *Razay* withdrew.

Examination of Hydro Tasmania continued.

At 6.21 p.m. Prof *Razay* returned to the Table.

Examination of Hydro Tasmania continued and concluded.

The witnesses withdrew.

The following additional information was requested:

Tasmanian Irrigation:

1. Please provide for tabling the details of the five Environment Protection and Biodiversity Conservation Act (EPBC) breaches in relation to Northern Midlands Irrigation Scheme (NMIS).

Tasmanian Networks:

1. Please chart the last ten years of unassisted pole failures by:
 - type of pole;
 - age of pole;
 - had they been inspected in prior 5 years; and
 - was the pole reinforced, and did it fail outside the parameters of the reinforcement.

Please table the result of investigations of the failures.

2. Please explain the \$69.1 m across the forward estimates for Marinus Link Pty Ltd (pg. 187, Budget Paper 1) in the context of Tasmania's 'capped' equity contribution of \$103.5 m.

At 6.30 p.m., the Committee adjourned until 9:00 a.m. tomorrow.

Confirmed

Date: 3/03/26 Chair: *H. Buiret*

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Wednesday, 26 November 2025

The Committee met in Committee Room No. 1, Parliament House, Hobart, at 9:00 a.m.

Members Present:

Ms Burnet (Chair)
Mr Fairs
Mr Jaensch (substitute for Mr Vermey)
Ms Dow (substitute for Mr Willie)
Ms Butler (substitute for Mr Winter)
Mr George (substitute for Ms Johnston)

Also at the Table:
Prof Razay

The Committee commenced its examination of Tasmanian Ports Corporation Pty Ltd.

The following witnesses appeared and were examined by the Committee in public: -

Hon. Kerry Vincent MLC, Minister for Infrastructure and Transport

Tasmanian Ports Corporation Pty Ltd:
Greg McCann, Chair
Anthony Donald, Chief Executive Officer
Captain Mick Wall, Harbour Master
Julie Garth, Group Executive, People, Culture and Safety

At 9.47 a.m. Mr Fairs withdrew.

Examination of TasPorts continued.

At 9.50 a.m. Mr Fairs returned to the Table.

Examination of TasPorts continued.

At 10.04 a.m. Mr George withdrew.

Examination of TasPorts continued.

At 10.06 a.m. Mr George returned to the Table.

Examination of TasPorts continued.

At 10.21 a.m. Mr George withdrew.

Examination of TasPorts continued.

Papers: - The Minister for Infrastructure and Transport tabled the following documents:

- "Grassy Port Infrastructure and Operational Review"
- "Port of Grassy Infrastructure Study: Stakeholder and Community Consultation Summary"

At 10:51 a.m. Ms *Butler* withdrew.

Examination of TasPorts continued.

Suspension of sitting 10:53 a.m. to 10.59 a.m.

Members Present:

Ms Burnet (Chair)
Mr Fairs
Ms Dow (substitute for *Mr Willie*)
Prof Razay (substitute for *Ms Johnston*)

At 11.00 a.m. Ms *Butler* took a seat at the Table.

Examination of TasPorts continued.

At 11.04 a.m. Mr *Jaensch* took a seat at the Table.

Examination of TasPorts continued and concluded.

The witnesses withdrew.

Suspension of sitting 12.00 p.m. to 12.06 p.m.

Members Present:

Ms Burnet (Chair)
Mr Jaensch (substitute for *Mr Vermey*)
Ms Dow (substitute for *Mr Willie*)
Ms Butler (substitute for *Mr Winter*)

The Committee commenced its examination of *Tasmanian Railways Pty Ltd*.

The following witnesses appeared and were examined by the Committee in public: -

Hon. Kerry *Vincent* MLC, Minister for Infrastructure and Transport

Tasmanian Railways Pty Ltd:

Stephen Cantwell, Chair
Steven Dietrich, Chief Executive Officer
Josh Bradshaw, Manager, Corporate Affairs

Papers: - The Chair of Tasmanian Railways tabled the following documents:

- "The Economic Value of TasRail"

Examination of Tasmanian Railways Pty Ltd continued.

Papers: - The Chair of Tasmanian Railways tabled the following document:

- "Image of yellow road markings at railway crossings"

At 12.38 p.m. Prof *Razay* took a seat at the Table.

Examination of Tasmanian Railways Pty Ltd continued and concluded.

The witnesses withdrew.

Suspension of sitting 1.00 p.m. to 2.00 p.m.

Members Present:

Ms Burnet (Chair)
Mr Fairs
Mr Jaensch (substitute for *Mr Vermey*)
Ms Butler (substitute for *Mr Willie*)
Mr Winter
Prof Razay (substitute for *Ms Johnston*)

The Committee commenced its examination of the Motor Accidents Insurance Board.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Kerry Vincent* MLC, Minister for Infrastructure and Transport

Motor Accidents Insurance Board:

Lance Balcombe, Chair
Paul Kingston, Chief Executive Officer

Examination concluded.

The witnesses withdrew.

Suspension of sitting 3.00 p.m. to 3.04 p.m.

Members Present:

Ms Burnet (Chair)
Mr Jaensch (substitute for *Mr Vermey*)
Ms Butler (substitute for *Mr Willie*)
Ms Johnston

Also at the Table:

Mr O'Byrne
Prof Razay

The Committee commenced its examination of Metro Tasmania Pty Ltd.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Kerry Vincent* MLC, Minister for Infrastructure and Transport

Metro Tasmania Pty Ltd:
Tony Braxton-Smith, Chair
Laurie Hansen, Chief Executive Officer

At 4.32 p.m. *Mr O'Byrne* withdrew.

Examination continued and concluded.

The witnesses withdrew.

Suspension of sitting 5.00 p.m. to 5.05 p.m.

Members Present:

Mr Fairs (Deputy Chair)
Mr Jaensch (substitute for *Mr Vermey*)
Ms Johnston
Mr Winter
Dr Woodruff (substitute for *Mr Bayley*)

Also at the Table:

Mr Di Falco

The Committee commenced its examination of TasRacing Pty Ltd.

The following witnesses appeared and were examined by the Committee in public: -

Hon. *Jane Howlett* MP, Minister for Racing

TasRacing Pty Ltd:

Gene Phair, Chair

Andrew Jenkins, Chief Executive Officer

Dr Martin Lenz, Chief Veterinary & Animal Welfare Officer

Heidi Lester, Chief Racing Integrity Officer

At 5.17 p.m. Ms Butler took a seat at the Table.

Examination of TasRacing continued.

At 6.05 p.m. Ms Butler withdrew.

Examination of TasRacing continued and concluded.

The witnesses withdrew.

The following additional information was requested:

Tasmanian Ports Corporation Pty Ltd:

1. How much has been spent to date on consultants and contractors for the Burnie Berth 4 issues?
2. When was the time there was major maintenance undertaken on Berth 4?
3. What date were the safety issues and deteriorating condition of Berth 4 detected?
4. Will the updated Capex and 5-year infrastructure project be public and can Members of Parliament be briefed on it?
5. When do you expect the designs on Burnie Port to be completed?
6. What is the cost estimate of the Burnie Port upgrade?
7. Which other Australian Ports have received Federal funding to establish Renewable Energy Hubs/Offshore Servicing Facilities?
8. Can you provide correspondence on TasPorts' concerns conveyed to TT-Line on the specifications on the fenders and hull for the new Spirit vessels and berthing infrastructure?
9. Have TasPorts had input into the design and proposal for the Northern Access Road at Macquarie Point?
10. Please provide the latest TasPorts employee satisfaction survey.
11. Please provide details of the aviation funding to increase passenger numbers and details of grant.
12. Please provide the title transfer between TasPorts and MPDC (200m²).
13. Please provide the Committee with a list of the 67 consultants less than \$50,000 for 2024/25.
14. Where does TasPorts source fuel from? Could you identify if any of your fuel is sourced from Russia, or via another country?
15. Please provide TasPorts customer surveys for the last 5 years.
16. Please provide the Committee with pilot numbers over the last 5 years.

Metro Tasmania Pty Ltd:

1. Please provide the amount provided by the Department of State Growth for 'top up' to Metro Tasmania for half price fares initiative in 2024-25.
2. Can a breakdown of the 'Other Income' listed as \$8.117 million for 2024- 25 be provided?
3. Did Metro Tasmania engage with a company called Cormeum Consulting? What year was that?
4. Did a principal advisor from Cormeum Consulting then become employed at Metro Tasmania? What year was that and what role were they in at Metro Tasmania?
5. Given Metro Tasmania gave Cormeum Consulting a \$388,136 contract related to common ticketing in 2022-23 and a further \$105,000 contract in 2023-24, is Metro Tasmania satisfied there was no conflict of interest?
6. How many transit officers are currently contracted through Department of State Growth?
7. How many transit officers are contracted to Metro services?
8. Is transit officer funding permanent funding?
9. Please provide Metro customer satisfaction surveys over last 12 months?
10. How many drivers were trained each year for the last three years?
11. How many drivers were trained over the last three years who remain employed as driver at Metro 12 months after the completion of their driver training?
12. Will legislative change be required to install P2 bus lanes?
13. Are Metro confident that none of their fuel suppliers are procuring fuel from Russia or fuel processed in a 3rd country?
14. How many rest areas toilets are dedicated to Metro bus drivers in all Metro routes?
15. On how many occasions has the issue of dedicated toilets/rest facilities for Metro drivers has been raised by union delegates/workers over the last 5 years?
16. Please can Metro table customer feedback regarding Real Time Tracking and statistics regarding percentage of services being tracked?
17. Can you provide a comparison to other states/territory of the age of the Metro bus fleet?

TasRacing Pty Ltd:

1. What was the reason for the euthanasia of the 46 thoroughbred horses in the financial year 24/25? What is the reason for the substantial increase (50%) since the previous year?
2. Of the 1037 dogs in the greyhound racing industry, please provide the breakdown by number and name of dog, for each trainer.
3. How many dogs incurred 'serious injuries' and/or died, or were euthanised while racing at the track in 24/25? Please provide this info by:
 - a. dog name;
 - b. injury type and/or cause of death; and
 - c. by date.
4. Please provide the Committee with the financial modelling that has been done in relation to the net impact of greyhound, harness, and thoroughbred racing or TasRacing's net financial result.

5. How many dogs who incurred injuries at the track, but who were not euthanised on the track, were euthanised over the next month as a result of their injury, by:
 - a. name;
 - b. the injury;
 - c. the date of injury; and
 - d. the date euthanised.How many of the injured dogs have returned to racing?
6. How many dogs incurred injuries and/or died/were euthanised, while training or trialling? Please provide by:
 - a. name;
 - b. injury and/or cause of death; and
 - c. date.
7. Page 58 of the Annual Report state that TasRacing received almost \$1.5 million in sponsorship income. How much relates to greyhound racing?
8. The Annual Report states that TasRacing received more than \$2.1 million in other racing income:
 - a. does that include vision and broadcasting rights?
 - b. can you outline what else it covers? And
 - c. how will this income be affected by the greyhound racing ban?

At 7.30 p.m., the Committee adjourned until 8:45 a.m. tomorrow.

Confirmed

Date: 3/03/26 Chair: H Buret

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Thursday, 27 November 2025

The Committee met in Committee Room No. 1, Parliament House, Hobart, at 8:45 a.m.

Members Present:

Ms Burnet (Chair)
Mr Ferguson (substitute for Mr Vermey)
Mr Mitchell (substitute for Mr Willie)
Mr Winter
Ms Johnston

Also at the Table:
Prof Razay

The Committee commenced its examination of Tasmanian Water and Sewerage Corporation Pty Ltd.

The following witnesses appeared and were examined by the Committee in public: -

Tasmanian Water and Sewerage Corporation Pty Ltd:
Kevin Young, Chair
George Theo, Chief Executive Officer
Kane Ingham, Chief Financial Officer
Kate Crawford, Acting General Manager, Customer and Community
Matt Derbyshire, General Manager, Sustainable Infrastructure Services
Tony Willmott, General Manager, Project Delivery

At 8.53 a.m. Mr George took a seat at the Table.

Examination of Taswater continued.

At 8.55 a.m. Mr Ferguson withdrew.

Examination of Taswater continued.

At 8.57 a.m. Mr Ferguson returned to the Table.

Examination of Taswater continued.

At 9.05 a.m. Ms Johnston withdrew.

Examination of Taswater continued.

At 9.10 a.m. Mr Di Falco came to the Table.

Examination of Taswater continued.

At 9:45 a.m. *Mr Ferguson* withdrew.

Examination of Taswater continued.

At 9.46 a.m. *Mr Di Faclo* withdrew and *Mr Ferguson* returned to the Table.

Examination of Taswater continued.

At 9.50 a.m. *Mr Di Faclo* returned to the Table.

Examination of Taswater continued.

At 10.07 a.m. *Mr Di Falco* withdrew.

Examination of Taswater continued.

Examination concluded.

The witnesses withdrew.

Suspension of sitting 10.15 a.m. to 10.20 a.m.

Members Present:

Ms Burnet (Chair)
Mr Ferguson (substitute for *Mr Fairs*)
Dr Broad (substitute for *Mr Willie*)
Dr Woodruff (substitute for *Mr Bayley*)
Mr George (substitute for *Ms Johnston*)

Also at the Table:

Mr Di Falco
Mr Garland
Prof Razay

The Committee commenced its examination of Sustainable Timber Tasmania.

The following witnesses appeared and were examined by the Committee in public: -

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

Sustainable Timber Tasmania:
Rob de Fegely, Chair
Greg Hickey, Acting Chief Executive Officer

Suzette Weeding, General Manager, Conservation & Land Management
Chris Brookwell, General Manager, Corporate Services

At 11.59 a.m. Mr *George* left the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.01 p.m. Prof *Razay* left the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.05 p.m. Mr *George* took a seat at the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.08 p.m. Mr *Di Falco* left the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.12 p.m. Mr *Di Falco* took a seat at the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.23 p.m. Mr *Garland* left the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.25 p.m. Mr *Di Falco* took a seat at the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.30 p.m. Mr *Garland* took a seat at the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.48 p.m. Mr *Di Falco* left the Table.

Examination of Sustainable Timber Tasmania continued.

At 12.50 p.m. Mr *Garland* left the table.

Examination of Sustainable Timber Tasmania continued.

At 1.01 p.m. Mr *de Fegely* withdrew.

Examination concluded.

The witnesses withdrew.

Suspension of sitting 1.15 p.m. to 2.15 p.m.

Members Present:

Mr Fairs (Deputy Chair)
Mr Ferguson (substitute for Mr Vermey)
Mr Mitchell (substitute for Mr Willie)
Mr Bayley

The Committee commenced its examination of Port Arthur Historic Site Management Authority.

The following witnesses appeared and were examined by the Committee in public: -

Hon. Madeleine Ogilvie, Minister for Arts and Heritage

Port Arthur Historic Site Management Authority:
Dr Jacqueline Jennings, Chair
Will Flamsteed, Chief Executive Officer
David Nelan, Director of Corporate Services/Chief Financial Officer

Examination concluded.

The witnesses withdrew.

The following additional information was requested:

Tasmanian Water and Sewerage Corporation Pty Ltd:

1. Could the Tasmanian Water and Sewerage Corporation please provide documents held in relation to the Southeast Irrigation Scheme and flows modelling associated with water levels into the future of the Upper Derwent, including any likely impacts.
2. Please detail what engagement has occurred with the Tasmanian Government in relation to its announced Trade Waste Policy to date, and any outcomes from this engagement.

Sustainable Timber Tasmania:

1. What fines have been paid by Sustainable Timber Tasmania for breaches for forest practice plans in the past 5 years? Please list by:
 - a. total fines
 - b. coupe location
 - c. nature of breaches.

At 3.00 p.m., the Committee adjourned *sine die*.

Confirmed

Date: 3/03/26 Chair: H. B. Vincent



THE ECONOMIC VALUE OF TASRAIL



REPORT BY
2XF ADVICE PTY LTD
FOR TASRAIL

CUSTOMER VALUE PROPOSITION

TasRail is the trusted provider of safe and dependable rail logistics solutions for Tasmanian industry. TasRail's infrastructure advantages, along with a culture that is focused on its customers, make it an ideal partner for existing and potential clients from key heavy industries throughout the State.

TASRAIL PROVIDES INDUSTRY:



Long-term business partnerships providing surety of rail haulage capacity and bulk shiploading services



The ability to haul heavyweight and dangerous goods containers as well as bulk cargos to reduce total supply chain costs



Innovative and progressive Tasmanian rail transport solutions across all major freight sectors for containers, bulk and forestry freight



Opportunities to campaign in large volumes of freight to meet customer requirements



Connectivity with a statewide network of rail terminals that interface with major ports, freight precincts and industries



Reduced exposure to heavy vehicle accident risk and NHVR Chain of Responsibility requirements for fatigue and mass management



Seamless connectivity with Tasmania's only open access bulk minerals shiploader



Valuable safety and environmental benefits



Operational reliability, safety and simplicity across all heavy freight modes, including road, port and shipping operations



Dedicated industry specialised customer account and service management teams engaged to provide leading-edge customer outcomes

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ABOUT US

VERTICALLY INTEGRATED RAILWAY

TasRail is a vertically integrated railway.

Above Rail Business

The primary objective of TasRail's Above Rail business is to supply safe and efficient rail logistics for Tasmanian heavy industry and freight forwarders through the operation and maintenance of the rolling stock fleet.

Below Rail Segment

The key objectives of the Below Rail segment is to operate, maintain and upgrade a fit-for-purpose freight rail network, freight terminals and train control system to service Tasmanian industry.

OUR ROLLINGSTOCK

- 17 TR Class Locomotives
- 10 Legacy Locomotives
- 353 wagons to match our customers' products
- Containers, Cement, Coal, Minerals and Logs
- Elphinstone/TasRail Logtainer innovation







TASRAIL FAST FACTS

- **Rail Freight task:** ~3.0m million tonnes pa (equiv. to 150,000 truck movements)
- **Shiploading task:** ~600,000 tonnes pa
- **Services per week:** Conservatively **100 plus**
- **~35% of Tasmania's** export tonnage handled by TasRail
- **Commodities hauled:** cement, logs, newsprint, zinc/copper/lead minerals, finished metals (zinc, manganese, aluminium), coal, general retail and inputs for industrial production
- **Heaviest train:** ~3,000 tonnes
- **Longest train:** ~1,000 metres
- **Carbon intensity versus road freight:** 4 x lower carbon emissions
- **FTEs:** TasRail 280 (20% female)
- **Freight hubs located at:**
 - Boyer
 - Brighton
 - Parattah
 - Fingal
 - East Tamar
 - Bell Bay
 - Devonport
 - Burnie
 - Rosebery

Note: 2023-24 Results

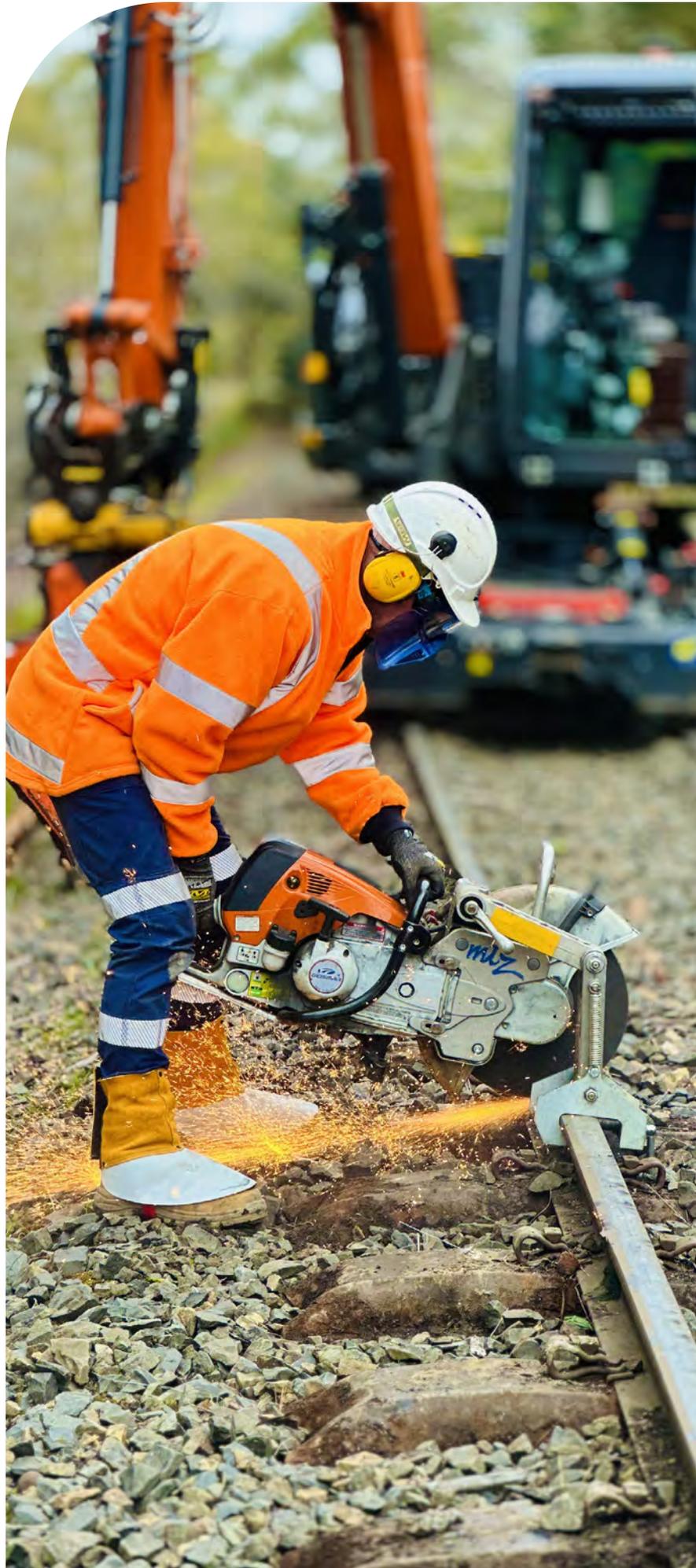


NEW MINERALS SHIPLOADER

- Tasmania's only open access minerals shiploader
- Designed and built in Tasmanian
- Owned and operated by TasRail
- Integrated with rail and road supply chains
- **~600,000 tonnes exported annually**
- TasRail's new \$64m Shiploader has already loaded ~310,000 tonnes of mineral concentrates

TASMANIAN FREIGHT RAIL REVITALISATION PROGRAM

- Commenced in 2015-16 and fully funded to 2027-28
- A combined \$446 million investment by the Tasmanian and Australian governments to upgrade rail, sleepers, formation, drainage and bridges / culverts.
- Strong support from major industries:
 - mining
 - metals processing
 - forestry
 - freight forwarders
- The investment to date has produced record performances in on time running, safety and freight volumes.

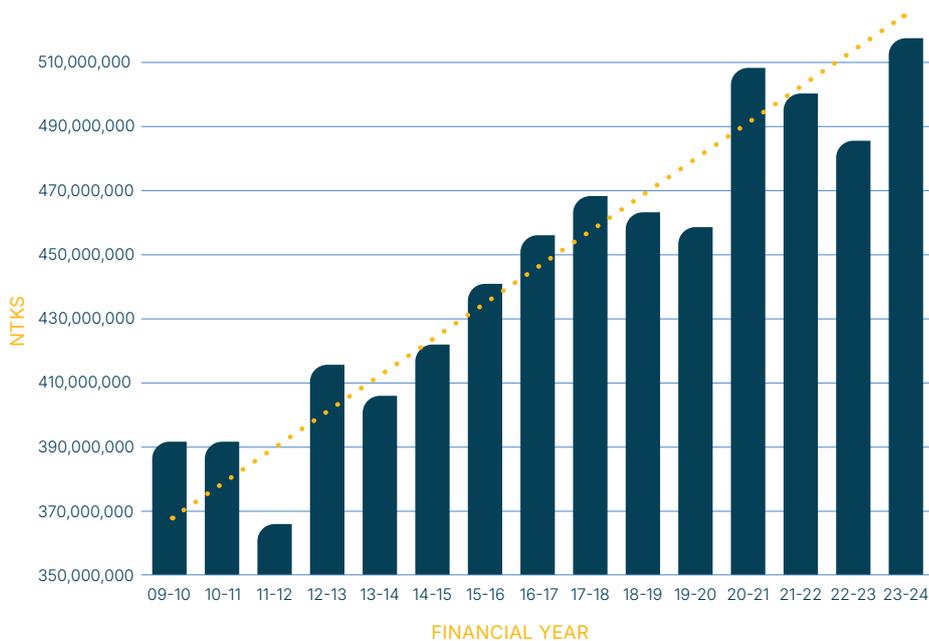


RECORD GROWTH IN FREIGHT RAIL

- **Record** freight growth since 2009
- **2023-24** another freight record
- **Three** million tonnes pa or
- **500** million plus Net Tonne KMs pa
- **100** services + per week
- **24/7** operations
- **Long-term** customer contracts

*Net Tonne Kilometres = total distance travelled (in KM) x net weight of the freight.

ANNUAL NET TONNE KILOMETRES

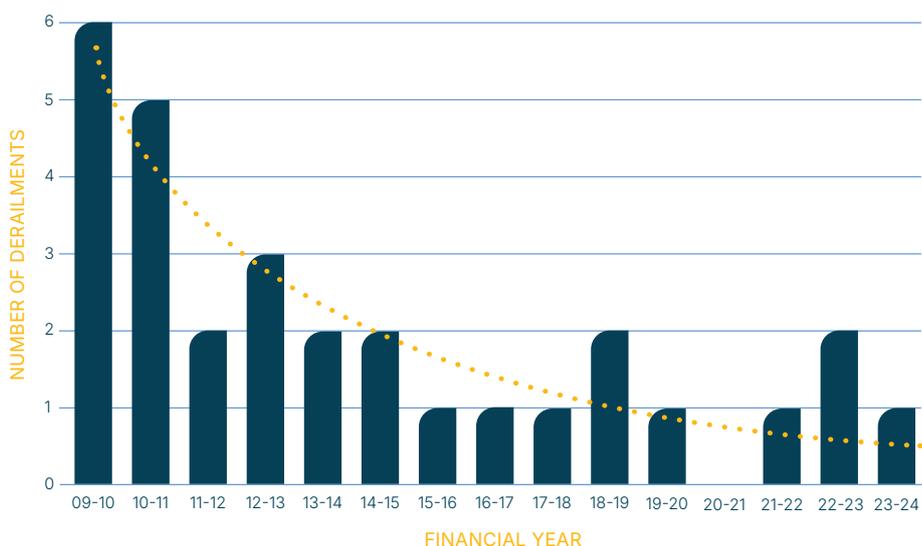


RECORD RAIL SAFETY RESULTS

- The investment into the Tasmanian Rail Network has driven record safety results
- Derailments at record lows
- Frequency and severity reduced
- 2020-21 first year **derailment free**
- 2023-24 **derailment free***
- 2024-25 **derailment free****

* Single derailment caused by a road vehicle
 ** As at the time of writing

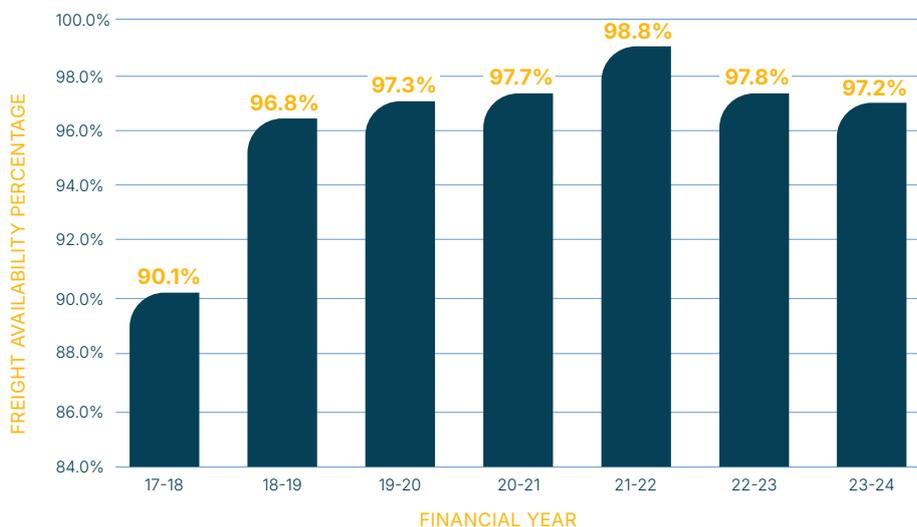
MAIN LINE DERAILMENTS



RECORD RESULTS FOR ON-TIME RUNNING

- The investment into the Tasmanian Rail Network has driven on-time running to record levels
- **97.2%** of the six daily intermodal services meet their contracted Freight Availability target 2023-24
- TasRail provides industry operating a high degree of **certainty** that their freight will be delivered at the **contracted delivery** time

FREIGHT AVAILABILITY





EXECUTIVE SUMMARY

Rail has been used to move freight across Tasmania for over 150 years. The fundamental strengths of rail – economies of scale, safe and separate corridors, and the unsurpassed movement efficiency of steel wheels on steel rails – have underpinned rail's role in Tasmania's freight network. These characteristics, and an emerging understanding of freight rail's low greenhouse emission profile¹, will ensure that rail continues to be used to move freight in transport systems around the world, for decades to come.

The supply chains of major Tasmanian industrial businesses are physically integrated with freight rail. Major export commodities including finished metals, mineral ores, paper and cement are delivered to port by rail, where they are seamlessly loaded onto ships from storage and loaders directly connected to the rail system. Products such as logs, mineral ores and containerised freight are sent north, south, east and west on Tasmania's integrated rail network.

TasRail manages the state's rail system as a vertically integrated whole. TasRail operates the Below Rail segment, ensuring the rail network is fit for purpose (safe and efficient), and the Above Rail business that provides commercial rail and terminal services to Tasmanian industry.

The Above Rail business is TasRail's primary revenue generator – charging commercial customers for freight services. This revenue contributes to, rather than fully covers, the costs of operating the Below Rail segment. This is because many of the benefits of freight rail are economic, rather than commercial. As such benefits, which include improved road safety and lower environmental impacts, accrue widely across the community and cannot be fully recovered from the customer base.

This is why governments the world over choose to make ongoing investments in freight rail infrastructure, ensuring that operational standards remain at a level sufficient to support

safe and efficient rail network performance and continuing, strong freight customer demand.

TasRail has commissioned transport economists 2XF Advice Pty Ltd to assess the economic value of freight rail in Tasmania and to compare this value with expected funding requirements over the coming 10-year period from 2026 to 2035.

A cost-benefit analysis (CBA) is the basis of the assessment. CBA is recommended by Infrastructure Australia (IA) and by the Transport and Infrastructure Council² as the chief tool to assess the economic merit of transport initiatives. The CBA model used for this report is based on the approach used in support of funding from the Australian Government's Infrastructure Investment Program for the last four tranches of the Tasmanian Freight Rail Revitalisation program.

The key results of the CBA confirm that operating a freight rail system over the

¹ The Australian Government's Net Zero Transport roadmap highlights rail's already very low emissions profile as well as the capacity to move to zero emissions with further development of battery-electric freight rail options.

² This ministerial council oversees the publication of the Australian Transport and Planning (ATAP) framework which has been agreed to by all Commonwealth jurisdictions as the agreed framework for the planning and assessment of transport initiatives.



next 10 years is economically beneficial to Tasmania, with benefits exceeding costs.

The benefit–cost ratio (BCR) is 1.3 when considering only standard benefits³ of operational efficiency: safety, reduced port congestion and lower environmental impact. Put plainly, for every \$1.00 invested by government, \$1.30 in economic benefit is returned. The BCR increases to 2.0 when the wider economic benefit of higher employment is included.

The net present value (NPV) of operating the rail network over the coming 10 years is estimated to be \$124 million, with standard benefits only. The NPV is estimated at \$405 million when wider economic benefits are included.

There are other benefits of freight rail that are difficult to quantify but are nevertheless real; these add to the total economic value of Tasmania’s freight system. These other benefits include option value – the strategic and added resilience benefits of having

infrastructure capacity ready to service new freight tasks that may arise. TasRail’s record growth in forestry volumes is an example of option value, whereby industry was enabled to transport logs that were previously uncommercial for processing and export.

Overall transport system competitiveness (and therefore effectiveness) is higher when rail freight is competing with road and sea freight – as is the case in Tasmania.

Another important benefit is the higher quality of life that the community enjoys thanks to the rail network. Community members regard rail as the preferred method to move freight. They understand that rail reduces the number of trucks on the roads that are shared by heavy vehicles, light vehicles, pedestrians and cyclists. The safety benefit of rail has been quantified – but not the improved wellbeing, or amenity, that is widely reported by the community. Rail also has cultural and heritage significance

and value to many Tasmanians.

In summary, the economic benefits of freight rail in Tasmania are significant, with the value of rail’s standard (direct) benefits alone outweighing expected infrastructure investment needs over the coming decade. When the value of higher employment is included, the NPV of running the rail system over 10 years is estimated to be over \$400 million. This is without quantifying rail’s other benefits that include higher community wellbeing, the strategic and transport system-resilience value offered by maintaining the capacity to handle new and growing freight tasks, and the element of competition that rail injects into Tasmania’s freight market.

Governments and their communities can therefore be confident that continued investment into Tasmania’s rail freight network is economically justified and sensible.

³ Under ATAP and IA guidance, there are three broad categories of benefit, termed standard, wider economic benefits and other.

STRATEGIC CONTEXT

The Tasmanian Rail Network is an important element of Tasmania's and Australia's transport systems. It is integrated with ports, roads, logistics hubs and major freight producers. The lines linking Burnie, Brighton, Launceston and Bell Bay are part of Australia's National Land Transport Network⁴.

Tasmania's 632km rail network is used to move approximately three million tonnes of freight every year – with the 2024 freight task totalling a record 514 million net tonne kilometres.

Rail freight customers include some of the state's major exporters. TasRail handles about 35 per cent of Tasmanian export tonnage. Exports of non-ferrous metals and metallic ores and metal were valued at \$2.9 billion in the calendar year to December 2024, a 64 per cent share of Tasmania's total export value⁵. The supply chain for much of Tasmania's metals and mining product is highly reliant on the rail network. Ore is mainly hauled via the Melba Line and the Bulk Minerals Export Facility at Burnie Port, which stores and loads ore onto ships for export. Zinc and aluminium ingots are moved to port via the rail network.

Inputs for export products are hauled by TasRail, including coal used to manufacture newsprint and for cement production.

Rail is also used to send imported intermodal, containerised freight from the ports of Burnie, Bell Bay and Devonport to logistics hubs at Brighton, Bell Bay and Launceston.

TasRail has managed the Below and Above Rail segments of the



rail network since 2009. In 1997 the rail network was privatised; after a period of government subsidies from 2004, it came back into public ownership.

TasRail initially took responsibility for the Below Rail network (managing the track) in 2007. In 2009, TasRail was formed as a State-owned Company. This established a vertically integrated railway, combining the Below and Above Rail elements, with the Above Rail business running the train fleet and servicing commercial freight customers.

In the years since, the Australian and Tasmanian governments have made substantial investments into the rail network. This has seen strong increases in network performance – improved on-time running, reliability and safety. There has been a corresponding growth in freight. The rail freight task is up by approximately 150 million net tonne kilometres since the 2011 low point.

Today freight rail is a vital element in the Tasmanian freight landscape. Rail is entrenched in the supply chain of Tasmanian industrial and logistics businesses and is highly valued by the

community, particularly for rail's role in moderating the number of heavy truck movements on the state's roads (estimated to be ~150,000 large truck movements per annum.) However, some aspects of rail's economic value to the community cannot be converted into commercial gain – hence the only brief period of operation as a private rail network.

Consistent with freight railways the world over, TasRail's Above Rail business – which earns income from freight services supplied to commercial customers – is not sufficiently profitable to fund investment into the Below Rail network at levels needed to maintain acceptable network performance standards and strong freight volumes. Therefore, TasRail expects that annual infrastructure funding from the Australian and Tasmanian governments will be required for the coming decade and beyond.

This report sets out the size of that funding. It explores the nature and value of economic benefits that governments, and the communities they serve, will receive in return for retaining rail as a fundamental element of Tasmania's freight transport system.

⁴ See the map at <https://investment.infrastructure.gov.au/sites/default/files/documents/national-land-transport-network-corridors-rail-tasmania.pdf>

⁵ Tasmanian Government, Department of Treasury and Finance, International Trade in Goods, December 2024, released 6 February 2025

APPROACH AND METHODOLOGY

This report seeks to place a value on the economic benefits of Tasmania's rail system and compare these with the expected government funding costs over the upcoming 10-year period from 2026 to 2035.

A cost-benefit analysis (CBA) has been developed for this task. CBA is the method of assessing the economic merit of transport programs and projects recommended by Infrastructure Australia (IA)⁶ and under the Australian Transport Assessment Planning (ATAP) framework⁷. ATAP is closely aligned with IA guidance while being broader in scope. It is endorsed by the Australian, state and territory governments and published by the Transport and Infrastructure Council.

The CBA model for this report follows ATAP guidelines. The method, used for this report, is a further iteration of the cost-benefit modelling approach used in support of applications for Australian Government's Infrastructure Investment Program funding under the Tasmanian Freight Rail Revitalisation project. 2XF has worked with TasRail on all four tranches of the revitalisation project.

CBA used for transport initiatives typically compares a "project case" with a "base case". For the purposes of this Value of Rail analysis, the project case is continuing to run a Tasmanian rail freight network over the coming 10 years. The base case is a scenario where the freight rail system is shut down and the freight task anticipated to be moved by rail is instead carried on road by heavy vehicles, over the same 10-year period.

The benefits valued under the CBA include line-haul efficiency/ cost savings, reduced congestion at Port of Burnie, improved safety, lower environmental impacts and reduced road maintenance costs. These are direct benefits of running a rail system in Tasmania and are termed standard benefits under ATAP guidelines.

The rail system also supports employment – beyond those employed directly at TasRail. We estimate additional employment in two areas. Firstly, by major customers where rail is embedded in the supply chain. Secondly, by major rail contractors who supply services to TasRail. This type of benefit is termed a wider economic benefit under ATAP. We present these separately to the standard benefits as recommended under the guidelines.

Further information on the key data and assumptions used in the CBA model to estimate benefits can be found in the Detailed results and key assumptions section of this report.

The main result types generated by this CBA are the benefit-cost ratio (BCR) and net present value (NPV) of the project case of continued freight rail operation in Tasmania.

A BCR is a simple metric that compares the cost of an investment to its benefits. It is calculated by dividing the benefits of the investment by the costs. For example, a proposed project costing \$100 million that is expected to provide a flow of benefits totalling \$200 million will have a BCR of 2.0. A different \$100 million project with total benefits of \$70 million will have a BCR of 0.7.

A BCR of 1.0 and higher is an indicator that public investment in a project or program is economically warranted. A BCR under 1.0 indicates that the economic benefit of the initiative will be less than the costs.

Net present value (NPV) is a dollar figure that summarises the overall value of an investment. NPV is the difference between total benefits and total costs over the period in question. Annual costs and benefits are discounted to give the "present" or current value of costs and benefits that are estimated to occur in the future – with the assumption that a dollar today will be worth more than a dollar in future years. ATAP and IA stipulate that discount rates of 4 per cent and 7 per cent should be used. For the sake of simplicity, we have used the higher (more conservative) discount rate of 7 per cent in this report. Similarly to BCRs, a positive NPV indicates that a project has economic merit.

The BCR metric provides information about the extent to which benefits outweigh costs for a given initiative. The NPV metric gives the actual size of the net benefit along with a sense of the scale of the investment or project.

⁶ See <https://www.infrastructureaustralia.gov.au/guide-economic-appraisal>

⁷ The ATAP guidance on CBA can be seen at <https://www.atap.gov.au/tools-techniques/cost-benefit-analysis/index>

SUMMARY RESULTS

Tasmania's freight rail system provides net economic benefit to the state. The anticipated costs of government funding of the rail network over the next decade are outweighed by the value of the benefits that flow from the network's use. This is demonstrated by the positive benefit cost ratios and net present

values shown in *Table 1* and *Table 2*.

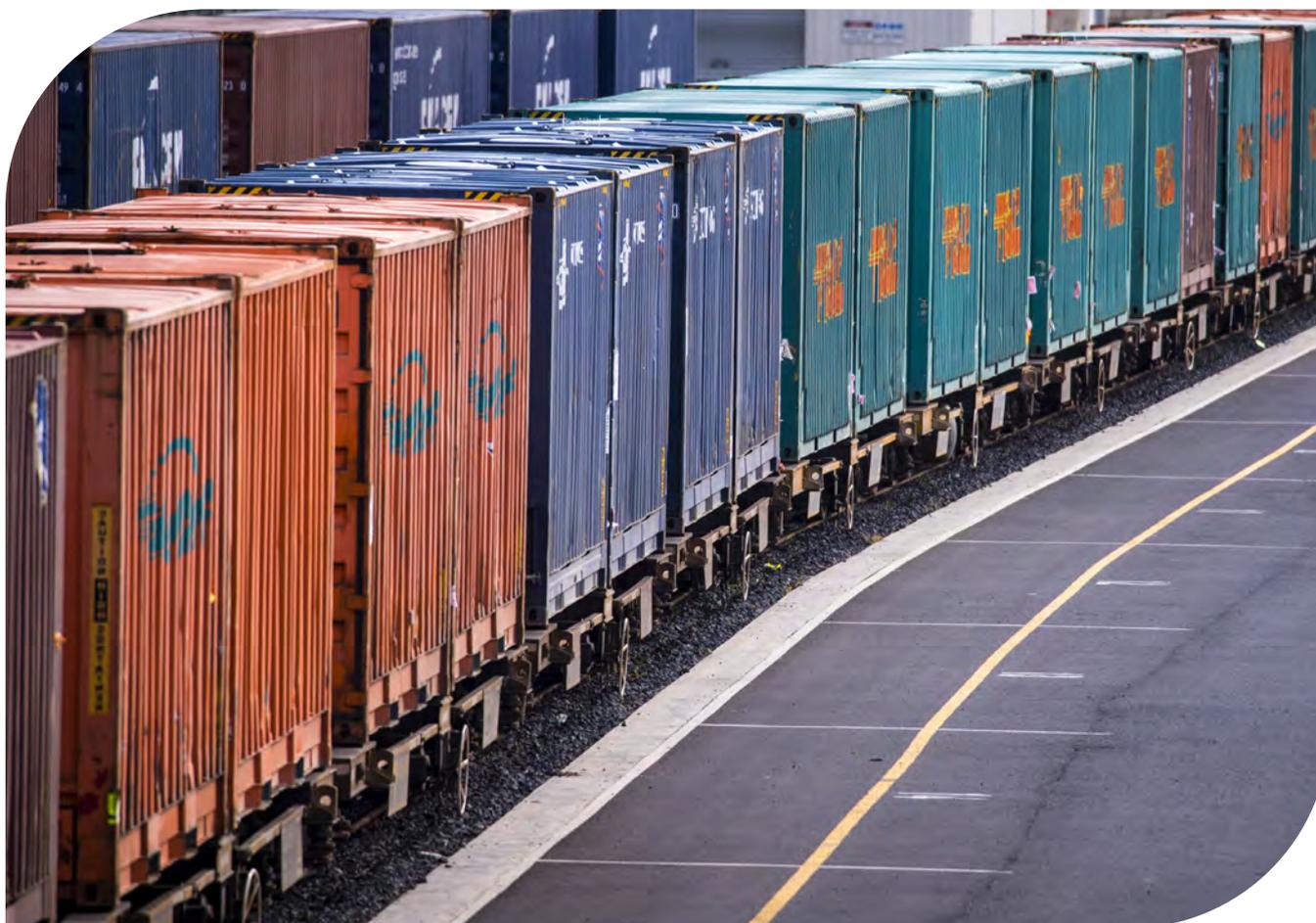
These overall results demonstrate that continuing government investment in Tasmania's rail system is economically warranted.

Table 1: Freight rail in Tasmania 2026-2035, benefit cost ratios, 7% discount rate

Result area	BCR
Standard Benefits (operational cost savings, improved safety, avoided port congestion, avoided road maintenance, lower environmental impacts)	1.3
Standard Benefits + Wider Economic Benefits (employment in rail-reliant sectors)	2.0

Table 2: Freight rail in Tasmania 2026-2035, net present values, 7% discount rate

Result area	NPV
Standard Benefits (operational costs, safety, avoided port congestion, avoided road maintenance, lower environmental impacts)	\$124 million
Standard Benefits + Wider Economic Benefits (employment in rail-reliant sectors)	\$405 million





DETAILED RESULTS AND KEY ASSUMPTIONS

The CBA follows the methodology provided in the ATAP guidelines, as explained earlier.

Information on the costs, freight tasks and other inputs for estimating benefits is provided below.

Costs

The cost considered in the analysis is the forecast funding requirements from the Australian and Tasmanian governments for TasRail to maintain the Below Rail network to a standard needed for reliable network performance and service levels sufficient for freight rail customers.

The annual cost over the first half of the 10-year period, the years 2026 to 2030, is \$52 million, comprising:

- \$22 million per annum for the Below Rail Infrastructure Contribution (BRIC). This is 100%

funded by the Tasmanian Government and used for Below Rail maintenance and operations (network control, specialist maintenance vehicles and vegetation management etc.)

- \$30 million per annum in rail network funding from the Australian Government (under its Infrastructure Investment Program (IIP), that is funded in combination by the Tasmanian and Australian governments and used for network renewal.

The annual cost over the second 5-year period from 2031 to 2035 is \$57 million, with IIP funding rising to \$35 million per year. These annual funding costs are in real 2025 dollars. The increased funding for the 2031-2035 period is included to allow for anticipated cost escalation separate to inflation.

Total funding costs for each year are tabled below:

Table 3: Tasmanian freight rail, annual government funding costs, 2025 \$ millions

Program	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
BRIC	22	22	22	22	22	22	22	22	22	22
IIP	30	30	30	30	30	35	35	35	35	35
Total	52	52	52	52	52	57	57	57	57	57



STANDARD AND WIDER ECONOMIC BENEFITS

Standard benefits under the ATAP guidelines are those with a direct impact on the community. These include various types of impacts that flow directly from a transport project or transport policy choice. These impacts include:

- efficiency (issues around the cost, speed and reliability of moving freight and people)
- safety
- environmental impacts
- infrastructure provision and maintenance efficiency.

Wider economic benefits are the flow-on effects from an element of a transport system. Productivity gains, employment gains, improved competition and higher profits/lower prices are all examples of wider economic benefits that are considered under the ATAP framework.

The benefit types of running a freight rail system in Tasmania that have been quantified for this report are shown in *Table 4*, along with their value:

Table 4: Benefit types, with 1-year and 10-year \$ million values at 7% discount rate

Benefit type	Benefit	1 year \$ millions	10-year \$ millions
Efficiency	Lower operating costs	25.1	183.5
	Avoided congestion at Port of Burnie	16.8	122.8
Safety	Increased safety	9.2	67.4
Environmental	Reduced greenhouse gas emissions	3.8	54.0
	Reduced air pollution	0.3	2.3
Infrastructure provision	Avoided road maintenance costs	9.6	73.5
	<i>Sub-total: Standard benefits</i>	64.8	503.4
Wider economic benefits	Higher employment in customer and supplier industries reliant on rail	40.1	281.5
	Total: Standard and wider economic benefits	\$104.9	\$784.8



ESTIMATING STANDARD BENEFITS

Key data and assumptions that have underpinned the estimation of benefits are provided below.

Freight tasks

The amount of freight moved by TasRail has risen steadily over the last 15 years from approximately 310 million net tonne kilometres to the current level of approximately 515 million net tonne kilometres.

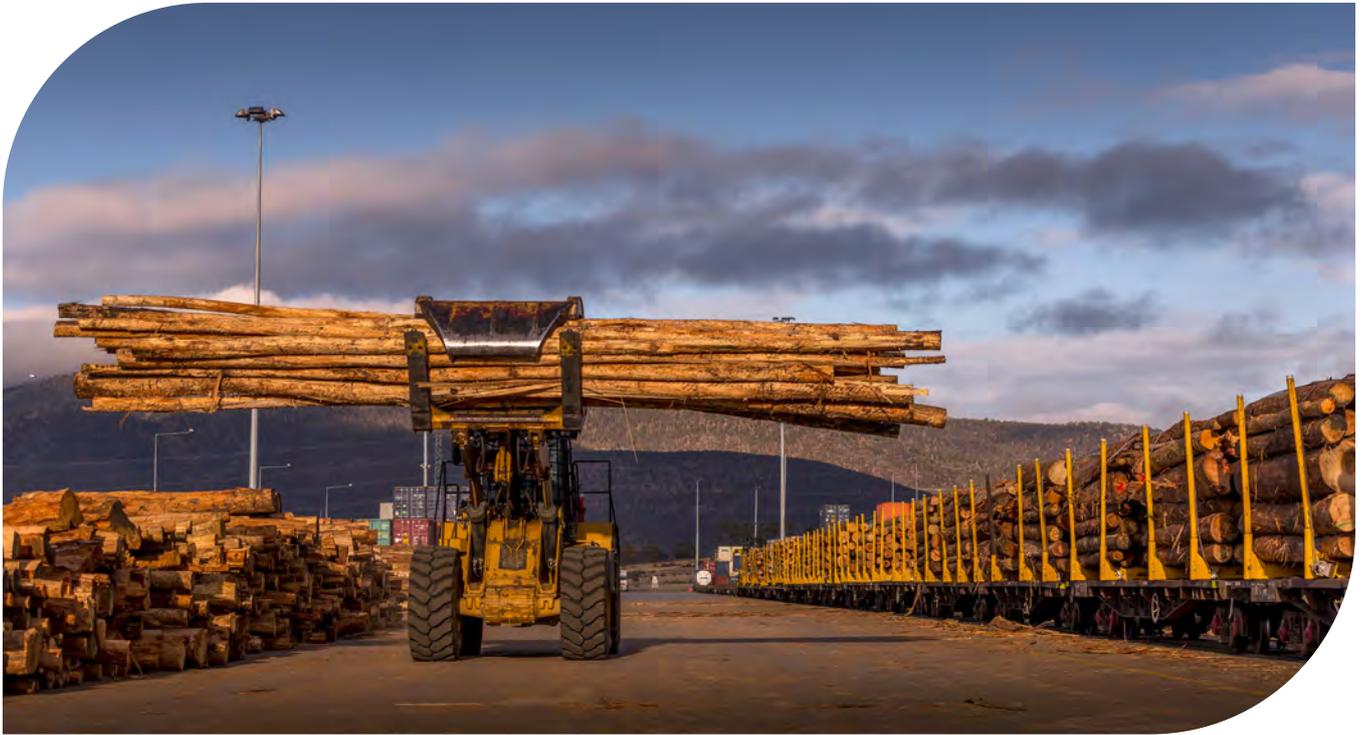
The freight task is assumed to rise at 1.0 per cent over the period 2026 to 2035 for the purposes of this analysis.

This is a more conservative figure than the growth rate of 1.7 per cent forecast in the Tasmanian Integrated Freight Strategy of 2017.

See the table below for a summary of key freight task information.

Table 5: Freight tasks

Description	Units	Value	Source/comment
Rail freight task in Year 1	Net tonne km (ntk)	515,000,000	TasRail
Annual growth in rail freight task	%	1%	A conservative assumption of 1% growth was selected
Rail freight task in Year 10	Net tonne km (ntk)	563,247,915	Calculated



EFFICIENCY – ROAD AND RAIL OPERATING COSTS

The intrinsic efficiencies of rail mean that freight can be moved from point to point on the rail network at a lower line-haul cost than road.

In Tasmania, rail carries a variety of freight types, including bulk materials such as mining products, paper products, cement and logs. Intermodal freight is also carried by rail. Intermodal freight is containerised freight that can be moved between port, rail and road

freight terminals quickly and efficiently and allows the optimisation of overall freight system efficiency⁸.

The TasRail fleet is compared to equivalent heavy road vehicles that would be used to move freight currently moved by rail.

The tables below and right set out vehicle types and operating costs for road and rail.

Table 6: Typical heavy vehicles used to perform freight rail tasks

Description	Value	Source/comment
Trucks used for rail freight task – semis, B doubles and similar		Estimates based on TasRail analysis of major freight tasks and equivalent trucking types and movements.
Portion of task carried by general access vehicles – typically 6 axle semis	29%	Note: The share of B-double equivalent vehicles that would be needed to perform rail's task is higher than the state average of 60:40 as reported in the Tasmanian Freight Survey.
Portion of task carried by HPV/HML vehicles – typically B-doubles	71%	

⁸ Bureau of Infrastructure, Transport and Regional Economics (BITRE), 2016, Why short-haul intermodal rail services succeed, Research Report 139, BITRE, Canberra ACT.

Table 7: Anticipated trucking fleet required for annual rail task

Truck description	Heavy vehicle type	Trailer type 1	Trailer type 2	Trailer type 3	Quantity
B-double tipper	Multi-combination prime mover, 3 axles	B-double lead trailer triaxle group	Semi-trailer triaxle group	na	38
Quad dog + Rigid tipper	Truck type 2, 3 axles	Dog trailer quad axle	na	na	14
B-double log	Multi-combination prime mover, 3 axles	B-double lead trailer triaxle group	Semi-trailer triaxle group	na	20
A-double	Multi-combination prime mover, 3 axles	Semi-trailer triaxle group	Converter dolly tandem axle	Semi-trailer triaxle group	19
B-double	Multi-combination prime mover, 3 axles	B-double lead trailer triaxle group	Semi-trailer triaxle group	na	14
Semi	Short combination prime mover, 3 axles	Semi-trailer triaxle group	na	na	71
TOTAL FLEET SIZE					176

Table 8: Vehicle operating costs (VOC), network wide

Description	Unit	Value	Source/comment
Typical VOC for general access vehicle (6 axle semi) at free speed on rural roads, curvy and 4% gradient	\$/km	2.36	Calculated from Table 48, Australian Transport Assessment and Planning Guidelines – PV2 Road Parameter Values, 2016. Converted to 2024 \$ using ABS 6427.0 Producer Price Indexes – Index Numbers 461; Road freight transport
Typical VOC for HPV (B-double) at free speed on rural roads, curvy and 4% gradient	\$/km	3.47	As above
Average maximum payload 6 axle semi	tonnes	26.66	Dudgeon and Findlay, 2016, High Productivity Vehicle Costs and Selected Freight Policy Implications
Average maximum payload B-double	tonnes	39.99	As above
Assumed average load % of capacity	%	75%	This is the assumption used in ATAP for VOC calculations
Payload at 75% loading 6 axle semi	tonnes	20.00	Calculated
Payload at 75% loading B-double	tonnes	29.99	Calculated
VOC, \$/ntk 6 axle semi	\$/ntk	0.093	Calculated
VOC, \$/ntk B-double	\$/ntk	0.099	Calculated
VOC, \$/ntk rail	\$/ntk	0.067	TasRail, includes line-haul costs of fuel, oils, depreciation + repairs and maintenance of locomotives and wagons

EFFICIENCY – AVOIDED CONGESTION AT PORT OF BURNIE

Rail is integrated with the Port of Burnie handles a very large quantity of freight, including both exports and imports. In a scenario without rail, the number of additional truck movements would result in a

significant increase in port congestion.

Information used to estimate the size of the benefit of avoided congestion is shown below in Table 9.

Table 9: Avoided congestion at Port of Burnie

Description	Unit	Value	Source/comment
Weekly train trips in and out	Trips	30	TasRail estimate
Equivalent weekly truck trips in and out (avoided truck trips)	Trips	1,180	TasRail estimate
Assumed share of truck trips impacted by 0.5-hour delay	%	25%	TasRail & 2XF estimate
Assumed share of truck trips impacted by 1-hour delay	%	35%	As above
Assumed share of truck trips impacted by 2-hour delay	%	25%	As above
Assumed share of truck trips impacted by 12-hour delay (delay occurring at point of origin, freight value only)	%	15%	As above
Value of freight time per hour	\$/truck hour	\$85.67	ATAP Urban Values of time for freight & driver adjusted to 2024 \$
Value of driver time per hour	\$/truck hour	\$36.99	

SAFETY

Rail is a very safe freight transport mode due to the separation of the rail corridor from the road corridor shared by heavy and light

vehicles, cyclists and pedestrians. The table below shows the average accident costs for heavy road vehicles and rail in Tasmania.

Table 10: Accident costs, used to estimate safety benefits

Description	Unit	Value	Source/comment
Freight rail in Tasmania accident costs	\$/ntk	0.005	2XF calculations from heavy road vehicle and rail accident statistics for Tasmania and ATAP valuations for fatal and serious injury crashes (Willingness to Pay approach).
Heavy road vehicles in Tasmania accident costs	\$/ntk	0.023	

ENVIRONMENTAL IMPACTS

Rail's scale and intrinsic efficiency of steel wheels rolling on steel tracks result in lower environmental impacts compared with road, as less energy is required to move each tonne of freight.

The tables below show the basis of the estimation of the value of reduced greenhouse gas emissions and air pollution.

Table 11: Environmental costs, greenhouse gas emissions

Description	Unit	Value	Source/comment
Typical fuel consumption general access semi	l/ntk	0.045	Calculated using Table 60 Australian Transport Assessment and Planning Guidelines – PV2 Road Parameter Values, 2016 and payload assumptions as per Table 5
Typical fuel consumption B-double	l/ntk	0.048	Calculated as above
TasRail network average fuel consumption rail	l/ntk	0.012	TasRail
CO2e emissions factor for diesel	kg CO2e/ litre	2.72	National Greenhouse Account Factors
Value of GHG emissions	\$/tonne CO2e	\$76 - \$148	Table 4, CO2e values, ATAP PV5 Environmental Parameter Values, values grow each year over the period

Table 12: Air pollution costs of road and rail freight

Description	Unit	Value	Source/comment
Air pollution cost – heavy road vehicles	\$/1000ntk	0.67	Table 5-12 Australian Transport Assessment and Planning Guidelines – PV5 Environmental Parameter Values
Air pollution cost – rail freight	\$/1000ntk	0.06	As above

TRANSPORT SYSTEM COST SAVINGS – AVOIDED ROAD DAMAGE

The rail network currently carries approximately 515 million net tonne kilometres each year, and this is expected to rise to approximately 563 million net tonne kilometres over the next 10 years (see Table 5).

The rail network comes at an ongoing cost (see Table 3), but this reduces the maintenance costs of the road network. The existence of the rail network avoids road damage that would occur if trucks were required to haul the current rail freight task.

The value of the avoided road damage can be estimated by calculating the road user charges (a fuel levy) and heavy vehicle charges (registration fees) that would be paid by trucks hauling the equivalent rail freight task (see Table 7). These charges are a proxy for road damage/maintenance costs and are determined by the National Transport Commission on behalf of Australian and state government transport ministers.

See the tables below for more information.

Table 13: Avoided diesel consumption and road user charges

Description	Unit	Value	Source/comment
Annual diesel usage, trucks carrying rail task – year 1	litres	24,230,449	Calculated using Australian Transport Assessment and Planning Guidelines, as per Table 7 above
Current road user charge	\$/litre	0.305	See https://www.ntc.gov.au/laws-and-regulations/road-user-charges
Road user charge year 2-10	\$/litre	0.323	A 6% increase for the year 2025-26 has been agreed. Further increases are likely – but this rate is used through to year 10 for the purposes of this analysis.

Table 14: Heavy vehicle registration charges, current

Heavy vehicle/trailer type	Charge \$
Multi-combination prime mover, 3 axles	13,481
Truck type 2, 3 axles	994
Short combination prime mover 3 axles	5,193
B-double lead trailer triaxle group	1,950
Dog trailer quad axle	2,880
Semi-trailer triaxle group	1,950

Note: As the freight task is assumed to rise each year by 1 per cent, the same increase is applied to heavy vehicle charges to account for increases in fleet size and related registration costs.

ESTIMATING WIDER ECONOMIC BENEFITS

The ATAP Guidelines *T3 Wider Economic Benefits* sets out several forms of wider economic benefit (WEB). One of these (WEB2a) has been quantified under this cost-benefit analysis.

Transport networks have a variety of flow-on impacts on the economy. Labour market impacts look at the effect that transport networks have on employment. WEB2a is the change in labour supply that may occur because of a transport initiative. This occurs where an element of the transport system allows businesses to function, or function better and employ more people.

In this case, we are looking at the effect that the existence of the TasRail network has on employment of core customers and suppliers.

Tasmania's freight rail system is a vital element of the supply chain for several major employers in Tasmania, as they use and produce large quantities of bulk materials that are ideally transported by rail.

Five businesses have integrated rail into their supply chain to the extent that they have onsite rail terminals that are in regular and frequent use. These businesses are listed below in *Table 15*.

There are also a significant number of contractor jobs that exist as the result of the ongoing work to maintain and improve the Tasmanian rail freight network. The contractor job numbers are shown below in *Table 16*.

We quantify the size of this wider economic benefit by estimating:

- the number of TasRail customer and supplier jobs that are reliant on freight rail
- the earnings related to those jobs
- the income and payroll tax linked to those jobs.

The tax take is considered, under ATAP guidelines, to represent the wider economic benefit that is counted under CBA. In other words, the tax revenue is a conservative representation of the economic gains that come from the presence of freight rail within the Tasmanian transport network.

See the businesses and employee numbers that are heavily reliant on freight rail tabled below:

Table 15: Major, highly reliant rail customers and employees

Customer	Total employees	Source
Boyer Paper Mill	300	https://www.norskeskog.com/about-norske-skog/press-room/articles/sale-of-norske-skog-boyer?Action=1&M=NewsV2&PID=4791
Nyrstar	520	https://www.nyrstar.com/operations/metals-processing/nyrstar-hobart
MMG Rosebery	500	https://www.mmg.com/our-business/rosebery/
Cement Australia, Railton facility	145	https://www.npi.gov.au/npidata/action/load/individual-facility-detail/criteria/state/TAS/year/2022/jurisdiction-facility/TAS+68
Cornwall Coal	60	https://www.globalcement.com/news/item/15114-cornwall-coal-to-plans-new-coal-mine-in-tasmania
Employees reliant on rail	1,525	

Table 16: Supplier and contractor jobs supported by annual rail freight infrastructure spending

Contractors	Total full-time equivalent jobs	Source
Various – designers, civil and engineering contractors, project managers etc.	150	TasRail



UNQUANTIFIED OTHER BENEFITS

There are other benefits of running a rail network in Tasmania that have not been quantified for this report.

Other benefits can be included within cost-benefit analysis under IA and ATAP guidelines. However, they are often difficult to quantify, and in this instance, we have not attempted to do so. Rather we explain the nature of the benefits and their contribution to Tasmania's economy.

The chief other benefits that apply to Tasmania's rail system are option value, increased transport system competitiveness, and higher community wellbeing (or amenity). These are discussed in turn below.

Option value

Option value, in the case of freight rail, refers to the strategic and added resilience benefits of having substantial freight capacity ready to be called upon in response to changing circumstances.

The freight railway network provides Tasmania with the infrastructure capacity to respond, rapidly and effectively,

to new freight-reliant economic opportunities. An example where this occurred was the ability of TasRail's Above Rail business to resolve a major forestry industry supply chain challenge by moving logs from Brighton to Bell Bay.

The solution provided by TasRail for the forestry freight task is a good example of the option value of infrastructure being realised. The rail system provides ongoing value that is not always captured at each moment in time.

Option value is an attribute of key infrastructure assets. This value addresses the uncertainty of future costs and returns, and the set of opportunities that can be unlocked or denied through infrastructure support or disinvestment. The increased use of the existing rail infrastructure boosts the economic yield of the Below Rail network with minimal additional investment. Any additional capital costs of rolling stock and sidings to facilitate such projects are factored into the freight rates or shared investment by new, project-specific customers.

Motu Economics and Public Policy Research, consultant to

the New Zealand Department of Transport, notes:

The potential importance of options created by particular infrastructure investments means that a standard "needs analysis" may be an insufficient basis from which to begin an ex-ante evaluation of a potential investment. In the cases discussed above, an "opportunities analysis" also needs to be included prospectively. Furthermore, it is important not to restrict opportunities to those that may be exercised (or even internalised) just by the infrastructure provider or by existing agents. Future agents (e.g., new migrants, start-up firms or international firms not yet present in the country) may be the agents that take advantage of opportunities that are created⁹.

It is possible to estimate option value by estimating the perceived value of having the rail system among current non-users of the rail system¹⁰. However, it is not simple to determine who the relevant non-users of the rail network are, nor the worth of having the rail option. The chances of over, or under, estimating option value are high, so we have not attempted to do so.

⁹ Grimes, A, 2010, The Economics of Infrastructure Investment: Beyond Simple Cost-Benefit Analysis, Motu Working Paper 10-05, August 2010, p 37

¹⁰ Bondemark, A, Johansson, E & Kopsch F, 2021, Accessibility and uncertainty: an empirical analysis of option value in transport, The Journal of Transport and Land Use, Vol. 14, No. 1, pp 463-477



Increased logistical efficiency and competition

Tasmania's freight market is complex with a range of participants and freight service suppliers. Rail and road are often complementary, rather than in direct competition. Nevertheless, markets operate best when choice is high and customers have alternatives.

The presence of road and rail freight modes adds a competitive tension to the Tasmanian freight market. This benefits customers by keeping service standards high at lower freight service costs.

Rail also adds to the capacity and efficiency of the Tasmanian freight and logistics system. Rail is utilised by a diverse group of agents, including shippers (miners, manufacturers, growers, etc.), port operators and logistics companies that manage, consolidate and ship freight¹¹.

Rail's freight presence enables Tasmania's freight and logistics system to operate efficiently, adding flexibility to the overall benefit of the users of that system.

Community wellbeing

Another key benefit is the higher amenity that the community enjoys thanks to the rail network.

Community members regard rail as an excellent way to move freight. They understand that rail reduces the number of trucks on the roads that are shared by heavy vehicles, light vehicles, pedestrians and cyclists.

The safety benefit of rail has been quantified for this report – but not the improved wellbeing, or amenity, that is widely reported by the community.

Another aspect of rail's contribution to community wellbeing is the cultural and heritage significance of the rail network. This is about the community's attachment to a place – and the involvement of rail in people's understanding of their shared environment and landforms. Rail has a long history in Tasmania. Many in the community would have a perceived value of that history and would place a value on seeing rail continue to play a cultural, as well as practical, role in Tasmania.

ATAP provides a draft methodology for quantifying this value¹². However, determining a meaningful and credible monetary estimate of rail's contribution to Tasmanian wellbeing and cultural heritage would not be a straightforward exercise and has not been pursued for this report.

¹¹ See a comprehensive discussion of the benefits of short-haul rail services in Bureau of Infrastructure, Transport and Regional Economics (BITRE), 2016, Why short-haul intermodal rail services succeed, Research Report 139, BITRE, Canberra ACT.

¹² ATAP, October 2024, v2.3 Valuing Place Effects

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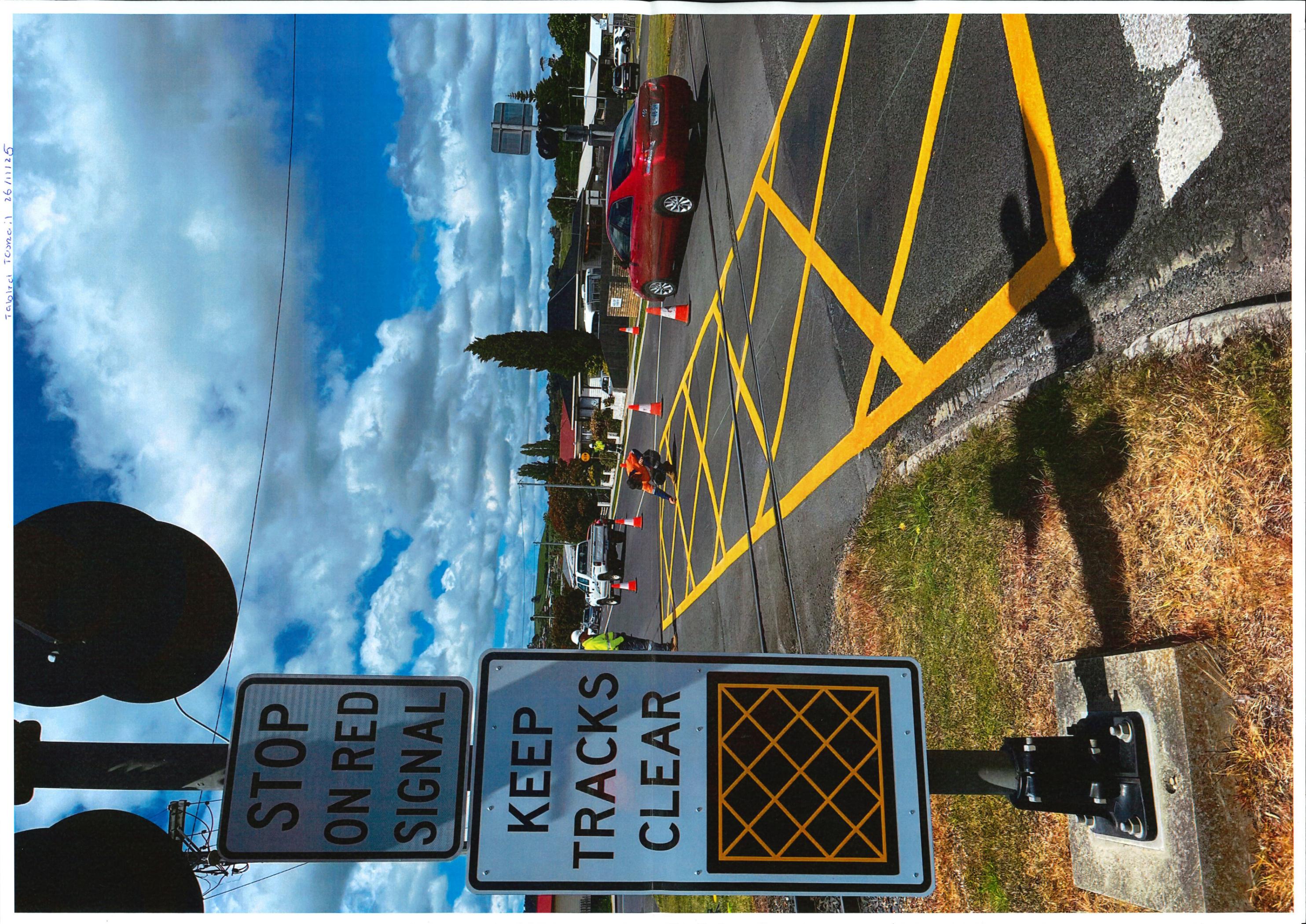
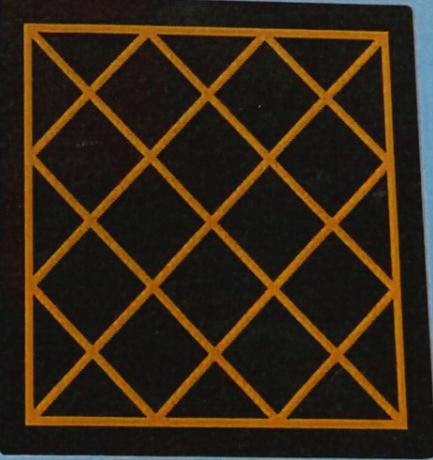
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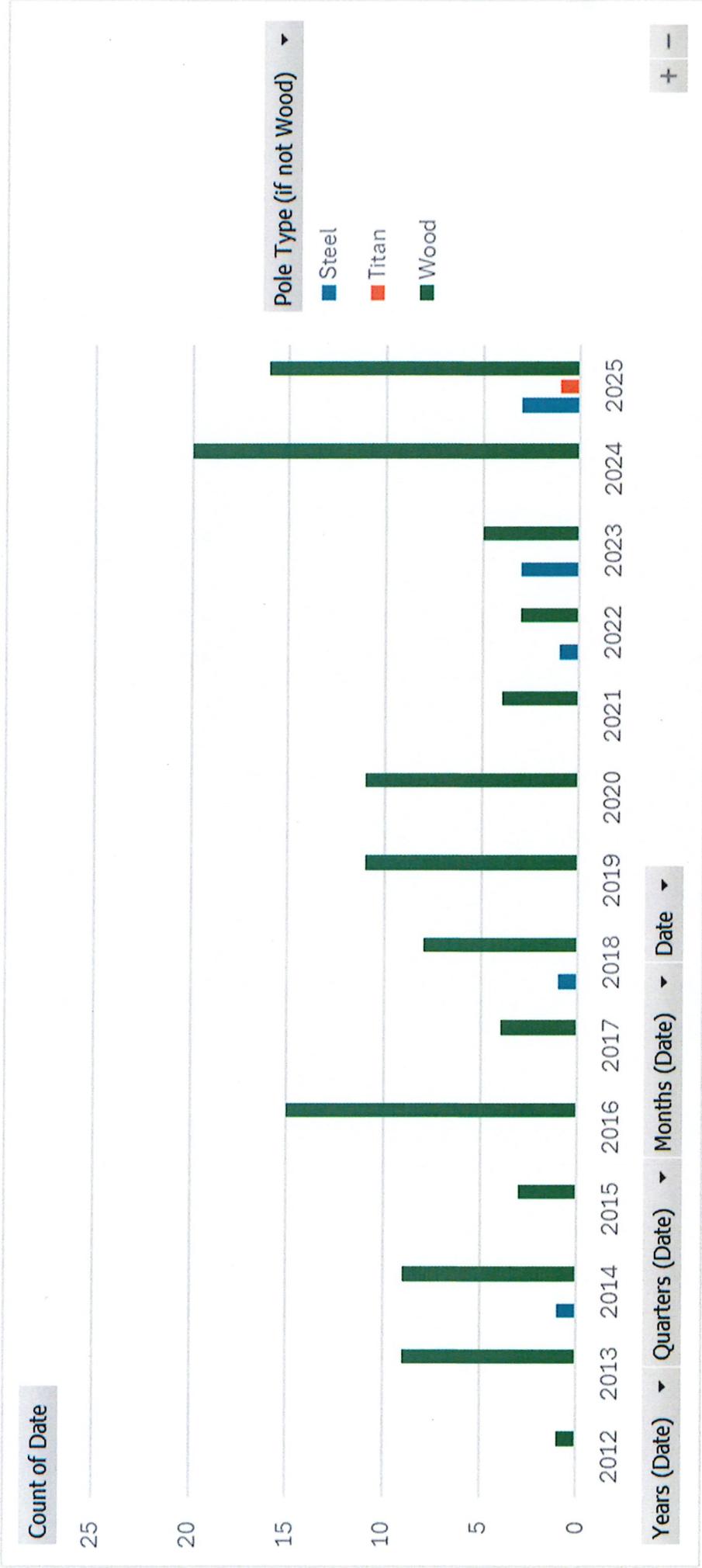


**STOP
ON RED
SIGNAL**

**KEEP
TRACKS
CLEAR**



Unassisted Pole Failures (2012-2025)



Total = 98

Stakeholder and Community Consultation Summary

Port of Grassy Infrastructure Study

June 2025



Introduction

About the Port of Grassy

The Port of Grassy is located on the southeast coast of King Island. It is the island's main freight hub, handling most imports and exports. Three shipping services connect King Island to Tasmania and Victoria;

- Bass Island Line's *John Duigan* sails weekly between Grassy and Devonport, with cargo able to continue to Melbourne via SeaRoad Shipping;
- Eastern Line Shipping's *King Islander*, which moves general freight and livestock, often operating via Stanley, or directly to the Port of Welshpool in Victoria depending on demand; and
- Bass Strait Freight's *Matthew Flinders III* provides 'as required' services.

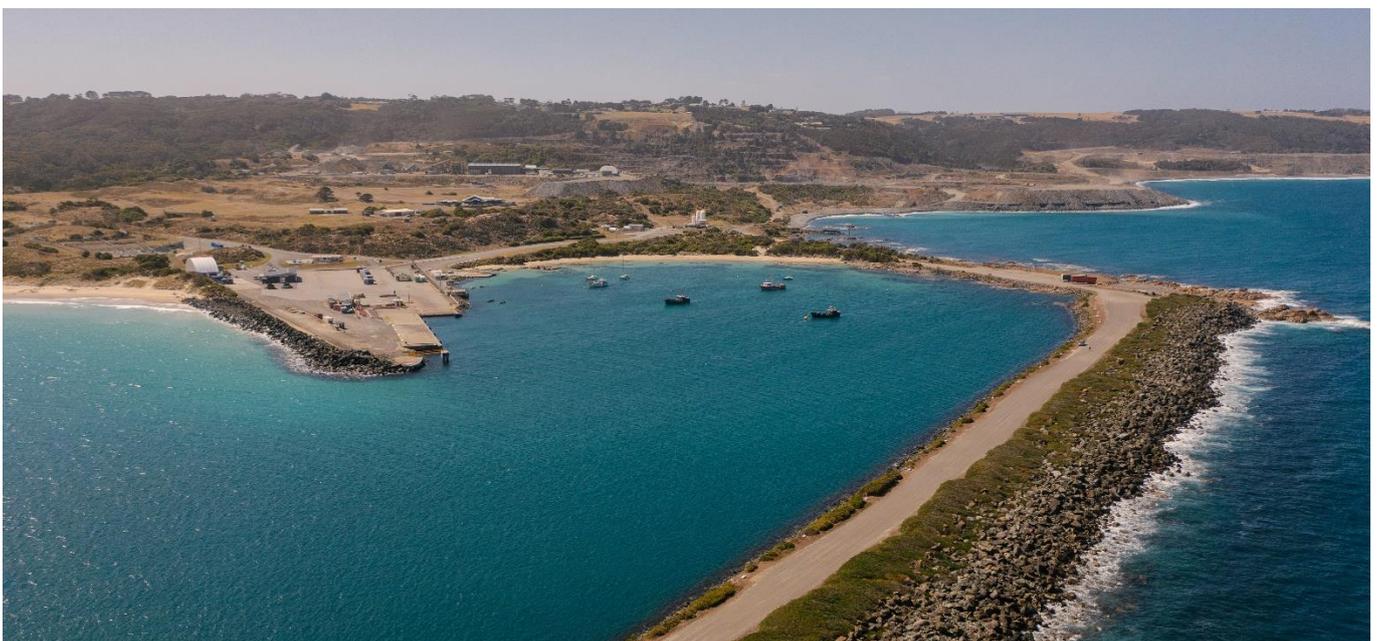
The port handles a steady volume of freight, including building materials, food, fuel, farm supplies, and livestock. Livestock imports and exports, particularly cattle, are a major part of the freight task, with the island contributing over 20% of Tasmania's total beef production.

The Port of Grassy provides important transport links for King Island's residents and industries. It plays a key role in keeping the island supplied and connected, with regular, though weather-dependent, shipping services supporting agriculture, local businesses, and the broader Tasmanian economy.

About the project

The Department of State Growth engaged Burbury Consulting and ERA Planning and Environment to undertake an infrastructure study on the Port of Grassy, to better understand how King Island's industry and community use the port.

A 2008 study proposed significant investment to extend the harbour and increase port capacity, which was not progressed at the time. The Tasmanian Government has committed to revisiting and completing this study by engaging with key stakeholders and the King Island community to identify potential improvements to port infrastructure and operations. This report provides a summary of the project's consultation process and key findings.



Consultation promotion and activities

Consultation with the community and key stakeholders occurred from Monday 14 April to Monday 12 May 2025 (a four-week period). The consultation process aimed to generate feedback from shipping operators, port users and local residents and businesses serviced by the port.

Key stakeholders were consulted through dedicated workshops and one-on-one meetings, while the broader community were consulted via local drop-in sessions and an online survey. Stakeholders were also able to provide feedback through a dedicated project phone line and email address. A summary of consultation promotion and activities is provided in Figures 1 and 2.

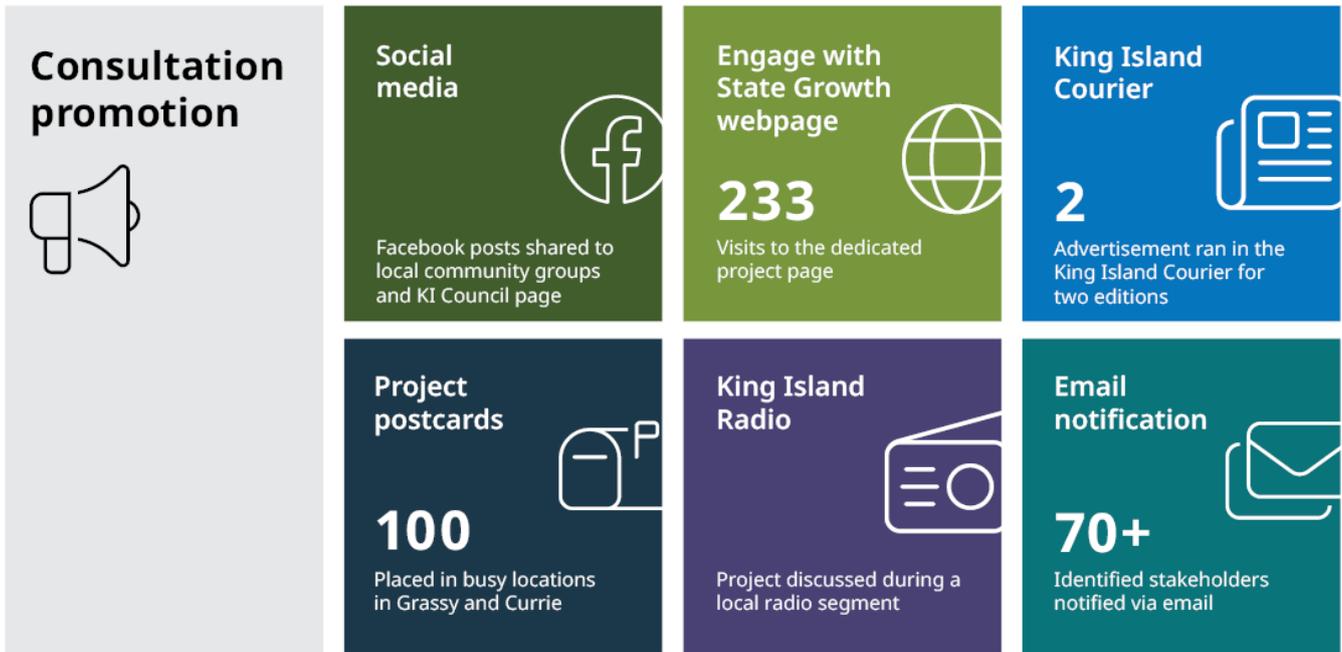


Figure 1: Consultation promotion



Figure 2: Consultation reach

Consultation themes and key topics

Feedback received from the community and stakeholders has been summarised under a range of key themes, outlined below. These findings will be used to inform recommendations for the infrastructure study and future projects associated with the King Island supply chain, the local economy and the community.

The findings show the importance of viewing the King Island supply chain as a complete process, rather than focusing only on the Port of Grassy. In the same way, key stakeholders and the King Island community see shipping as an interconnected issue, recognising its direct and indirect effects on the local economy, important industries, community well-being, and the island's future.

Vessel suitability

Some stakeholders and community members believe that open, barge-style vessels are not appropriate for transporting freight to King Island, given the challenging weather conditions in Bass Strait. While there is some acknowledgment that smaller vessels can adapt better to changing conditions, others expressed a preference for a vessel that offers better protection for freight, has a larger capacity, and can make the crossing more efficiently.

Route suitability

There is currently a shipping service connecting King Island to the Port of Welshpool in Victoria (via Eastern Line Shipping), however, direct shipping to the Port of Melbourne is considered by some as more advantageous. Melbourne is considered to offer several benefits, including improved market access and a more efficient supply chain. Despite these advantages, stakeholders have noted that high berthing costs at the Port of Melbourne might make this route commercially unviable. Apollo Bay and Geelong were noted as potential alternatives due to their proximity to King Island, however, both the community and stakeholders recognise that there are challenges to implementing these routes.

Port and shipping operations

Residents and businesses reported delays in receiving freight, partly due to factors like weather conditions and shipping availability. Some stakeholders and shipping operators believe that better utilisation of good weather windows will improve the reliability of freight operations. Suggestions included evening sailings or ensuring two vessels can call at the port in a single day.

Port infrastructure

Access to an all-weather port is seen as essential for the long-term sustainability of King Island's economy. Service disruptions due to adverse weather make freight movement less reliable, posing risks to livestock, equipment, and produce. Stakeholders have called for investments in port infrastructure such as dredging a deeper port and the construction of a new or extended break-wall. There is mixed sentiment towards the costs associated with such works and whether that level of investment can be justified and or would indeed provide a solution.

Governance and partnerships

Federal support is seen as essential by all stakeholders, particularly in infrastructure investment and freight equalisation schemes. Stakeholders and the community indicated infrastructure delivery needs to be better aligned with on-island operations, and that government should take a long-term view to investment and economic sustainability.

The King Island brand

The King Island brand (as it relates to beef, cheese, tourism and general narrative) is seen as premium and vital to maintain, especially to justify the high cost of shipping. Any decline in product quality or freight reliability threatens this carefully cultivated reputation. This highlights that any operational decisions at the port should consider animal welfare outcomes to ensure there isn't an impact upon the King Island brand.

Local community and economy

Local business and industry stakeholders and community stressed the need for a long-term investment vision, particularly in port infrastructure that supports not just existing needs, but future industry and population growth. There is a desire to prioritise strong advocacy and policy, to ensure the island's interests are well regarded and considered by decision-makers.

Community access and equity

The community acknowledged that without improved infrastructure, it was hard to attract industry; without industry, it was hard to justify the infrastructure. There is a view that this cycle needs to be broken through proactive investment and clear long-term planning.

Ensuring that the King Island community can easily get on and off the island was seen as equally important as freight logistics. Local business and industry stakeholders and community view the freight task as being one of equity and basic accessibility.



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PROJECT

Grassy Port Infrastructure & Operational Review

CLIENT

Department of State Growth

DATE

19 August 2025

▲ CIVIL ▲ STRUCTURAL ▲ MARITIME ▲ PROJECT MANAGEMENT

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Document Status

Author		J. Burbury	Email		james@burburyconsulting.com.au	
Document Number		1973-REP-Grassy Port	Revision		0	
Client Document Number		N/A				
0	19/08/25	Issued for Use	JB	PB	JB	JB
C	19/08/25	Re-Issued for Review	JB	PB	JB	JB
B	24/06/25	Issued to Client for Review	JB	PB	JB	JB
A	23/06/25	Issued for Internal Review	JB	PB		
Rev	Date	Revision Description	Author	Checked	Approved	Principal

1. Executive Summary

1.1 Project overview

The Port of Grassy provides a vital component of the King Island supply chain, supporting ship unloading and loading of freight, livestock and passengers. The Department of State Growth engaged Burbury Consulting and ERA Planning and Environment to undertake an infrastructure study on the Port of Grassy, to better understand how King Island's industry and community use the port and identify opportunities for infrastructure and operational improvements.

A 2008 port infrastructure improvement study proposed significant investment to construct a new southern breakwater to extend the harbour and increase port capacity and protection, which was not progressed at the time. The Tasmanian Government has committed to revisiting and completing this study by engaging with key stakeholders and the King Island community to identify potential improvements to port infrastructure and operations.

A separate report outlines the project's consultation process and key findings. The key themes identified through the consultation included:

- Vessel suitability.
- Route suitability.
- Port and shipping operations.
- Port infrastructure.
- Governance and commercial partnerships.
- The King Island brand.
- Local community and economy.
- Community access and equity.

In terms of infrastructure and operations the key feedback included:

- A need for an all-weather port is viewed by the community as critical for the long-term sustainability of King Island's economy.
- Shipping companies highlighted that schedules are generally weather dependent given the nature of Bass Strait conditions, hence it is unlikely a need for increased protection for all weather conditions. However, improved operations during increased surge would benefit the loading and unloading of vessels when in port as well as extending hours of operation during periods of calmer (reduced surge) conditions.
- Improved ro-ro ramp infrastructure for full range of vessels and tides.
- Options for increased ship size capacity.
- Options for improved berth utilisation in good weather conditions including berth access and extended operational hours.

The above was considered key themes in development of infrastructure and operational improvements for the Port.

A review of TasPorts internal harbour wave recording instrumentation provided records of internal wave surge conditions exceeding 0.5m events (i.e. potential to restrict berth usage) on average up to 5 days per month (events and not duration). These conditions were assessed under wave hindcasting analysis which coincided with nominal offshore SW swell waves up to 5.5m in height, conditions highlighted by the shipping operators that would unlikely coincide with vessel transits to King Island. Internal wave condition events of 0.3m were recorded on average less than 3.3 days per month.

1.2 Infrastructure & Operational Options Review

Several infrastructure improvements were considered based on a review of the port as well as aiming to reflect community and stakeholder feedback.

The options analysis also considered the review of the scope and construction estimate for the southern breakwater and port expansion from the 2008 Port Feasibility Study. Our assessment of the proposal for the southern breakwater found that the estimate for rock was insufficient (possibly due to lack of understanding of the available rock size from the mine at that time) and requiring an increase in batter slope and breakwater formation to allow for the nominal rock size available from the G6 waste rock. This increased the construction estimate for the breakwater to well over \$140m and deemed difficult to justify based on port charges alone without a revised broader economic assessment revisiting work completed in 2008.

Additional infrastructure options considered included:

- Improved port protection and wharf structures:
 - Review of the southern breakwater for improved port protection (noted above).
 - New northeastern breakwater, harbour expansion and wharf for vessels up to 150Lm adjacent to G6 waste rock dump.
 - Extension of existing breakwaters to provide improvements to internal wave protection/conditions.
 - New internal berth with ro-ro wharf for up to 100m vessels with inner groyne protection for surge.
- Other infrastructure and operational options for improvements to existing wharf:
 - Improved fender protection to existing wharf and Ro-ro ramp.
 - Upgrade to ro-ro ramp for improved tidal access.
 - Installation of outer harbour wave buoy to correlate wave and identify early warning to internal wave surge risk exposure.
 - Development of shipping cooperative between service providers.
 - Upgrade to mooring and fendering to improve vessel response to surge.
- Operational improvements:
 - Probability exceedance analysis of wind, internal wave (surge) conditions combined with berth utilisation to understand operational condition review for the Port. This could be extended into a broader model that can assist with prediction of increased harbour surge based on weather observations and forecasts whilst using AI to refine and adapt the model. The benefits of this will provide another tool for monitoring and forecasting surge conditions within the harbour which may assist consideration of port limits for operating hours.
 - Refined harbour agitation study in conjunction with options review for surge/operational (extended breakwaters) improvements to understand potential benefits versus capital expenditure in consideration to the above operational condition review of the Port.
 - Increased berth access during calm weather conditions whilst utilising above inputs.
 - Formation of Strategic Partnership – among various businesses, organisations and companies (including shipping and TasPorts as well as key King Island organisations). This would take the form of a shipping alliance to collaborate to optimise operations and increase efficiency in freight handling, shipping, port operations and services. Such an alliance would allow the member companies to share assets such as vessels, containers, cargo holds, port facilities, services and routes leading to improved service provisions. Key features would include:

- Shared resources – pooling of vessel capacity, ship capacity/schedules, equipment and land-based facilities as well as labour.
- Cost optimisation – sharing resources will lead to operating cost reductions. Targeted alliance on infrastructure and operational improvements and investments.
- Service improvement – offers for more frequent sailings, faster/variable transit times and increased ship and port productivity and reducing waiting times for deliveries.
- Market influence – a collective approach can exert influence on port ownership/management on port charges and service reliability.
- Sustainability and environment costs – greater focus on decarbonisation and sustainable shipping practices.

Its almost 10 years since the Sea Road Mersey finished transits into Grassy which provided larger vessel capacity and accessibility into the Melbourne markets and in that time shipping generally has transformed exponentially. The shipping service into Grassy has been driven partly through government support but the market will adapt and adjust to meet demand and opportunities which is already occurring with the three shipping services as well as shipping routes that offer both Tasmanian and Victorian transits.

Any infrastructure or operational improvements needs to adapt to the market, service providers and improve berth and overall shipping and freight handling efficiency.

2. Introduction

The Port of Grassy (the Port) provides ship berthing and port operations for vessels to load and unload freight (for import and export) and is a vital component of the King Island supply chain. The Department of State Growth engaged Burbury Consulting and ERA Planning and Environment to undertake an infrastructure study on the Port of Grassy, to better understand how King Island's industry and community use the port and identify opportunities for infrastructure and operational improvements.

The objective of this project was to:

- Provide an opportunity for interested stakeholders to:
 - Reflect on the need for port expansion.
 - Voice port issues or concerns.
 - Suggest improvements to port operations.
- Document stakeholder feedback for consideration and response from TasPorts and Government
- Use the stakeholder feedback to prepare a list (and assessment) of potential Port improvements.

This review was undertaken in two phases:

- **Phase 1: Stakeholder and Community Consultation (refer separate report).**
 - The phase involved:
 - Stakeholder engagement workshop on background, process and outcomes.
 - Key stakeholder engagement interviews.
 - Business and industry briefings.
 - Online survey.
 - Community workshops.
- **Phase 2: Infrastructure and Operation Review (this report)**
 - Review of the existing port infrastructure and operations.
 - Review of stakeholder feedback on infrastructure and operational port improvements.
 - Review of the 2008 King Island Port Feasibility Study.
 - Development of port infrastructure and operation improvements including assessments.

A King Island Port Feasibility Study completed in 2008 proposed significant investment to expand the harbour and increase port capacity and protection through the construction of a new southern breakwater from Sandblow Point to Omagh Reef providing greater port protection and opportunity for a new berth to support larger ships. The project was not progressed due to the significant capital cost of the infrastructure, delay in opening of the scheelite mine and limited volumes moving through the Port.

The opening of the Dolphin Tungsten Mine by Group 6 Metals (G6 Metals) has presented a renewed interest in using the overburden from the mine to expand the Port or for improved port infrastructure for shipping operations.

The Government has agreed that this project should reflect and build on the 2008 GHD Report by:

- Undertaking consultation with key stakeholders.
- Identify key constraints and opportunities through the consultation and review the current situation within the Port.

- Undertaking analysis of limited options for infrastructure and non-infrastructure improvements to improve port operations, including consideration of hours of operation.

2.1 Project Scope Limitations

The Department of State Growth provided the following project scope inclusions and exclusions for this study.

Table 1 Project Scope and Exclusions

	Port Infrastructure	Port Operations
Included in scope:	Ro-ro ramp Wharf Breakwater/Clapham Sheds and storage Amenities Weigh bridge	Hours of operations Lighting Weather management Environmental (marine constraints) Seasonality
Excluded from scope:	Vessel suitability Freight routes Port charges	Port management Freight logistics analysis

2.2 Recommended Scope Extension

We note that the above exclusions were often initiated in the stakeholder engagement process and a key theme in the stakeholder report. From this feedback the Department of State Growth recommended an additional scope to cover these works separate to this study to build on previous freight and shipping study completed in 2013 and 2015. This is anticipated to include (and hence separate to this study):

- Forward freight demand.
- Shipping capacity to meet future freight task, including peaks.
- The optimal available model/route between King Island and a Victorian port, including potential Tasmanian freight demand for an alternative freight route to Victoria and consideration of alternative routes.
- Infrastructure and other requirements to secure a suitable roll on roll off berth at a preferred Victorian port.
- Revision of optimal vessels and freight configurations for a Victorian service- including alternative cattle transport models and cost estimates.
- Alternative market models, including greater integration of King and Flinders Island.
- Base load customer preferences and impacts of route changes on Tasmanian markets and suppliers/processors.
- Market regulation and role of government in influencing/determining an optimal service model, noting current competition and loss-making service.
- Government's capacity to effectively to engage and/or oversee delivery of commercial shipping services.

3. Port Background Information

3.1 Port Capacity

The Port is currently owned and managed by TasPorts. The predominant shipping service is provided by Bass Island Line through a weekly service with the MV John Duigan. Other shipping services are provided through Eastern Line Shipping and Bass Strait Freight.

The Port is an exposed port with operational limitations to berthing and mooring during south to south westerly extreme swell wave conditions. With the harbour entrance on southwestern side, the port and the berth are exposed to surge from these swell waves that penetrate the harbour.

The current operational parameters and limitations for Grassy Port as nominated by the TasPorts Harbour Master include:

- Maximum acceptable vessel length is 90 metres LOA.
- Vessels over 60 metres LOA must have a bow thruster.
- Vessels over 35 metres length overall (LOA) must have twin screw configuration.
- The maximum draft for the port is 5 metres.
- Maximum wind strength for vessels over 35 metres LOA is 25 knots.
- Surge height of 0.5m for limitation on berth access and operations (and subject to TasPorts and Ship Master review).
- Grassy is a daylight port only for vessels over 35 metres in length.

The existing port layout and infrastructure is illustrated below.

TasPorts through their metocean website provide publicly available wind and wave data outputs for King Island (Grassy Port) that provide realtime and historic readings for wind speed, gust, direction and significant wave height, maximum wave height, period and direction at and adjacent to the Port berth pocket. These conditions are monitored by TasPorts staff prior to and during shipping as well as ship masters on route to Grassy Port.

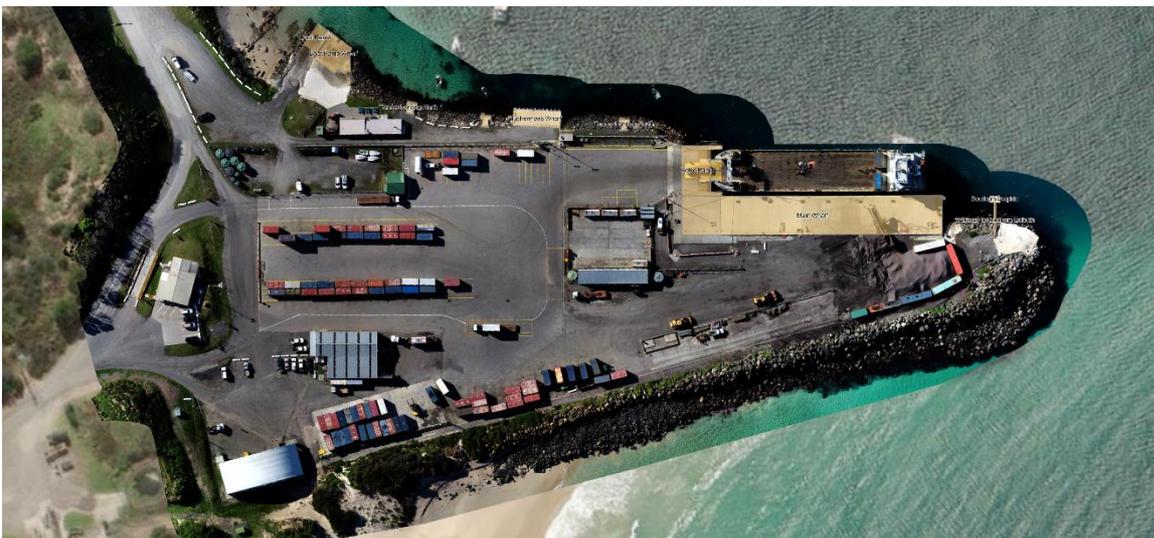
The port infrastructure includes (approximated from port information records):

- 80 lineal metre wharf and coping face with pneumatic fendering.
- Berthing and mooring dolphin 18m south of the existing wharf (previously used for SeaRoad Mersey ship).
- 14.5m wide roll-on and roll-off (Ro-ro) ramp with removable transition ramp.
- Stern dolphins for ramp with fender (not used for current ships).
- Mooring bollards.
- Container and storage yard (4,000 sq.m).
- Stock yard (1,200 sq.m).
- Workshops, storage sheds and port office.
- Small craft landing.
- Port breakwaters.
- Aids to navigation including leads and navigation lights.

Figure 1 Existing Grassy Port Extents



Figure 2 Existing Grassy Wharf



3.2 Recent Port Infrastructure Projects

TasPorts undertake regular port condition assessments for both Grassy and Currie maritime infrastructure including wharves, jetties, breakwaters, slipways and navigation aids. The most recent condition assessment was 2020 (next inspection forecast for late 2025) and TasPorts provided the following summary of the port infrastructure assets based on the WSCAM reporting and asset condition:

- Average estimated remaining life of port assets = 23.2 years
- Predicted modelling for potential capital expenditure requirements prior to 2030 due to condition and subject to further assessment:
 - Marine structures (wharf, piles, deck and ro-ro ramp): \$5m
 - Pavement works: \$150k.
 - Heavy mobile plant procurement: \$2.5m

TasPorts provided a summary of capital projects undertaken on King Island and specifically the Port during the stakeholder engagement phase. Whilst some of the community questioned the level of investment and maintenance on the Port by TasPorts the summary below shows that the infrastructure investment on capital projects (excluding maintenance and inspections) is over \$5.2m and nominally \$743k per annum (current).

Table 2 TasPorts Capital Projects Grassy Port (2019-2025)

TasPorts Project ID	Project	Date Completed	Approximate Value \$'000
8A0165	AtoN Upgrade	2025 underway	350+
8A0225	Bollard Upgrade	2025	1,700
8A0180	RoRo Ramp Surface Repairs (Stage 2)	2025	154
8A0166	Grassy Wharf Pile Wrapping	2024	325
9A0060	Oil Spill Response Equipment	2024	110
8A0167	Fuel Tank High Level Alarms	2024	189
8A0000	Hazardous Area Compliance	2022	124
8C7000	New equipment shed	2021	342
8A0005	RoRo Ramp Repairs (Stage 1)	2020	154
8A0008	Fisherman's Wharf	2020	625
6M8002	Asbestos Removal	2020	350
3A0041	Undergrounding of overhead power	2021	150
8M8000	Grassy Fertiliser Shed Demolition	2019	416
8A7000	Grassy RoRo Wharf Bollard Upgrade	2019	200
8A8000	Grassy Infrastructure Requirements for KI Services	2019	365
TOTAL CAPEX OVER PERIOD			\$5,204,000
AVERAGE ANNUAL CAPEX			\$743,000

TasPorts have also identified a number of future capital and maintenance infrastructure projects within the Port subject to detailed business case and approval including:

- Port entry and traffic management.
- Fuel depot fire fighting equipment.
- Bottom fill gantry conversion.
- Replacement of floating fenders.
- Replacement of fuel farm fire water tank.
- Replacement of lines boat low landing structures.
- Fuel ISO laydown yard vessel snap back protection.
- Wharf CCTV for berth and operational monitoring.

TasPorts highlighted limited major capital infrastructure project investment options for Grassy Port due to port throughput and low berth utilisation. The port utilisation was noted at around 10-20% with import/export of less than 1% of the total Tasmania shipping/port volumes.

A review of the available daylight hours for berth access and weekly utilisation was considered based on anecdotal advice with variable shipping activities noted below.

Table 3 Grassy Berth Utilisation

Ship visits per week	Summer Average Weekly Berth Utilisation	Winter Average Weekly Berth Utilisation
1	8%	11%
2	16%	23%
3	24%	34%

3.3 Grassy Port Vessel Characteristics

The characteristics of marine vessels that have operated within the Grassy Port are noted below for comparison.

Table 4 Grassy Port Vessel Characteristics

Marine Vessel	LOA (m)	Beam (m)	Draft (m)	Cruise (kn)	Gross Capacity (t) ⁽¹⁾	Deck Area (sqm) ⁽²⁾	Max livestock trailer capacity ⁽³⁾	Vessel Type	Operator
SeaRoad Mersey	119	18.5	5.5	15	7,930	1200	24	Ro-ro general freight, rear ramp	SeaRoad
Investigator 2	53	15	3	10	1,019	405	8	Heavy load carrier bow ramp	Bass Island Line
John Duigan	80	16	3.6	12	1,738	747	20	Heavy load carrier bow ramp	Bass Island Line
King Islander	63	14.6	3.5	9	1,413	350	8	Heavy load carrier bow ramp	Eastern Line
Statesman	53	10	2.3	8	876	Tbc	8	General cargo, bow ramp	Eastern Line
Matthew Flinders III	43	10	2.2	7.5	298	250	600 head	Stern ramp, general freight and livestock	Bass Strait Freight
Matthew Flinders IV	35	12	2.2	10	298	220	600 head	Stern ramp, general freight and livestock	Bass Strait Freight
Matthew Flinders IV extended	45	12	2.2	10	500	320		Stern ramp, general freight and livestock	Bass Strait Freight

(1) Vessel gross capacity for transit to King Island will be limited for stability and safe transit (reducing available gross capacity).

(2) Similarly available deck area will be limited for protection of cargo and provisions on deck for empty trailers, containers and ISO.

(3) Noting a difference between vessels on capacity to handle livestock through trailers or on the hoof.

The MV John Duigan, King Islander, Statesman and Matthew Flinders III are all current vessels utilising the Port. Over the period of this study both the MV John Duigan and King Islander averaged at least 1 sailing per week providing inbound and outbound freight capacity of nominally 3,000t per week.

4. Previous Port Studies

A number of previous port and shipping studies have been completed for King Island as well as government driven reviews and enquiries. These studies reflect the changing shipping services since 2017 and are summarised in the Figure 4 timeline below.

A summary of the key reports, findings and outcomes is provided below.

4.1 2008 Port Feasibility Study

King Island Ports Corporation and King Island Council commissioned a feasibility study in 2008 that recommended the expansion of Grassy Port with a new southern breakwater on the basis of the following key strategic elements:

Table 5 2008 Feasibility Review

Key Inputs from 2008 Expansion Study	Current Status	Comments
Opening of the Scheelite Mine and availability of rock for breakwater and increased port thruput	Currently operational	Increased import/export demand with mine opening and operations. Waste rock suitable for ocean filling is available at a cost of \$10/tonne (rock size limited and subject to quantities).
Existing limitations of Grassy Port	No change.	Relating to port access, exposure and surge and maximum vessel accessibility. Realtime weather data now readily available to shipping operators, masters and TasPorts.
Proposed cessation of Sea Road Mersey for weekly King Island shipping service.	Finished in 2017	Replaced with MV John Duigan as permanent weekly shipping service along with additional services through Eastern Line and Bass Strait Freight.
Importance of iconic "King Island" branding and dependency on shipping services	Retained and increased shipping demand with closure of abattoir.	Increased demand on livestock import/export through Tas & Vic.
Future upgrades of King Island Meatworks	Abattoir closed.	Currently live import and export of cattle required has increased handling requirements through the shipping services.
Increased vessel size capacity through new breakwater and wharf improving ship vessel capacity and port access.	NA	Proposed master plan has not progressed. No demand for increased vessel size with market providing vessels from 35m to 80m in length and Grassy Wharf suitable up to 90m LOA.

The preferred option presented in the report is provided below with the following key proposed scope:

- New southern breakwater from Sandblow Point across Omagh Reef (closing the southern channel access into the port).
- New turning basin for larger ship port access within the new breakwater lee.

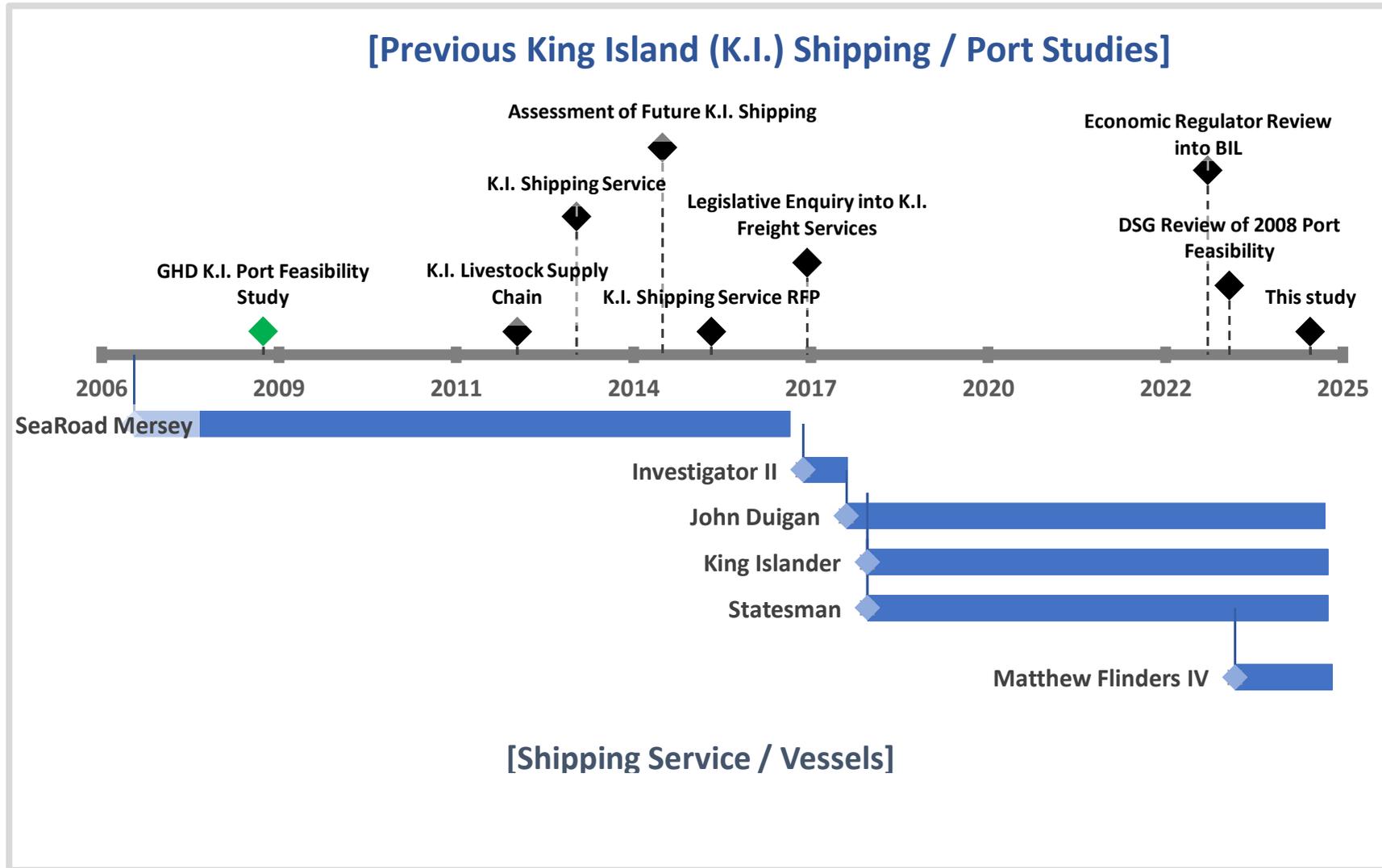
- Expanded port hardstand for bulk fuel, cargo and fertiliser storage sheds.
- New second berth with stern ramp for larger ro-ro ships for a design ship of 190m LOA.
- New workshops, offices and access roads.

Figure 3 2008 Port Feasibility Preferred Port Upgrade Option



The 2008 report provided a project estimate for the above of \$39.62m including \$28.4m for the breakwater with the material for the breakwater sourced at \$0 supply cost from the new scheelite mine (refer Section 5.3 of the report) and a nominal quantity of 1M tonnes of rock.

Figure 4 Previous Port & Shipping Studies



4.2 Summary of Historical Freight & Shipping Studies

Table 6 Summary of Key Previous Reports

Report	Author	Year	Key References / Context	Freight Review	Ship Review	Recommendations
Grassy Port Feasibility - SeaLink to the Future	GHD	2008	<ul style="list-style-type: none"> Feasibility of improving port infrastructure at Grassy to support freight services. 	<ul style="list-style-type: none"> Freight volumes modest with seasonal demands, Freight costs are high and impact business viability. Limited access to Victoria. 	<ul style="list-style-type: none"> Existing service with Sea Road Mersey (SRM) nearing end of service. Recommend medium size Ro-ro with capacity for mixed freight. Reliability, weather resilience and compatibility with Grassy Port 	<ul style="list-style-type: none"> Upgrade port infrastructure to improve port access and protection. \$40-60m upgrade with southern breakwater from mine rock supply allowing for larger vessel capacity to service KI.
King Island Livestock Supply Chain	GHD	2012	<ul style="list-style-type: none"> Closure of JBS (Sept '12) ~ 180 cattle head per day on island loss Impact on livestock movements by shipping. 	<ul style="list-style-type: none"> Options considered for supply chain with transport flow from King Is to Tas and Vic. Estimated 35,000 head of cattle movements p.a. 	<ul style="list-style-type: none"> SeaRoad weekly shipping provider. LD Shipping supporting livestock. Highlight on risk of peak demands, trailer management, high risk livestock movement, vessel efficiency. 	<ul style="list-style-type: none"> Risk mitigation measures for operators, agents, transport, processors, shippers and TasPorts. Increased sailings, collaboration policies for supply chains.
King Island Shipping Service Project	GHD	2013	<ul style="list-style-type: none"> King Island Partnership Agreement to access long term sustainable shipping solution. 	<ul style="list-style-type: none"> 2002 to 2012 trade remained consistent with: exports 31,200t and imports 36,400t 	<ul style="list-style-type: none"> Triangulated service is most cost effective Medium size landing craft 113 TTEU 9-10 knots optimal design vessel. 	<ul style="list-style-type: none"> Contingency strategy required. Establish freight buying group.

Report	Author	Year	Key References / Context	Freight Review	Ship Review	Recommendations
				<ul style="list-style-type: none"> Forecast trade for 2018 to 2030 Trade heavily aligned to Vic (3x volume for Tas) Freight range 80-145 TEU/week up to 300 TEU/wk with mines operational 	<ul style="list-style-type: none"> Larger Ro-ro vessels too large for Grassy Port. Combined service for cattle and freight more efficient Port infrastructure constraints in Vic 	<ul style="list-style-type: none"> Explore cost saving options for empty container/trailers. Engage with SRM on services. Consider tendering new service with guarantee on freight and charter. Investigate new purpose-built ship.
Assessment of Future King Island Shipping	Thomson Clarke Shipping	2015	<ul style="list-style-type: none"> Desktop study in response to SRM retirement for 2016. Review of shipping group preferred model. Review of shipping routes Review of vessels Review of operating and service models 	<ul style="list-style-type: none"> Annual freight volumes 64,500t p.a. Slight step increase in 2014 freight due to closure of island abattoir and mineral sands export. 2013/14 exports: 35,118 t 2013/14 Imports 29,404t Melb/Vic handles 80% inbound and 46% outbound freight from KI. 	<ul style="list-style-type: none"> Min. 2x weekly shipping service combined with ELS with vessel <90m and 5m draft. Need for redundancy in shipping services (more than one operator preferred). Need to work within existing infrastructure to avoid additional and unsustainable capital expenditure. Noted trade doesn't warrant large vessel operations (i.e. greater than 100m). 	<ul style="list-style-type: none"> Option 5 of purpose-built vessel deemed high risk and not recommended. Engage with SeaRoad and LD Shipping on continual services and collaborative solutions. Min 2x weekly service. Feasibility study to review volumes and growth, service frequency, vessel size and operating costs, review of shipment and supply chains.

Report	Author	Year	Key References / Context	Freight Review	Ship Review	Recommendations
King Island Ship Service Market – Request for Proposal	DSG	2015	Tender for shipping service for King Island	<ul style="list-style-type: none"> • Growth scenarios provided: • Low: 52,000t p.a. • Medium: 73,000t p.a. (2018) up to 84,000t p.a. (2033) • High: 87,000t (2018) up to 107,000 (2033). 	<ul style="list-style-type: none"> • Noted Grassy Port limits to 90m LOA 5m draft, daylight hours operations, twin screw and bow thruster propulsion. 	
Legislative Council Enquiry – King Island Freight Services	Tas Govt	2017	<ul style="list-style-type: none"> • Review of suitable, reliable sustainable shipping service for King Island. • ~69,000t freight p.a. 	<ul style="list-style-type: none"> • Freight tasks are diverse and seasonal. • Freight costs have increased since loss of SR. 	<ul style="list-style-type: none"> • BIL commenced service with Investigator II on 7 April 2017. • Eastern Line Shipping also servicing King Island. • Capacity required for 100-140 TEUs • Covered cargo hold desirable. • Highlighted importance of direct link to Victorian ports as well as Tasmania. 	<ul style="list-style-type: none"> • Triangulated service between Tas & Vic to King Island. • Regular weekly service. • Flexibility for seasonal demands. • 100-140 TEU capacity ship with covered hold. • Improved fertiliser storage for seasonal demands. • TasPorts cease providing a shipping service when private operator can meet reliable, suitable and sustainable service with an appropriate vessel.

Report	Author	Year	Key References / Context	Freight Review	Ship Review	Recommendations
Tas Economic Regulator Review BIL	Tas Govt: Office of the Tas Economic Regulator	2023	<ul style="list-style-type: none"> Commissioned by Treasurer on concerns on pricing, reliability and market impact of BIL service. 	<ul style="list-style-type: none"> Freight task for KI is diverse, seasonal and well studied. BIL major freight is fertiliser, sand, general cargo, diesel, dairy and livestock. Trans-shipment via SeaRoad in Devonport to Melbourne increasing costs and delays. Air freight usage has risen for perishables and reliability. 	<ul style="list-style-type: none"> BIL operates at a loss: \$3-4m p.a. John Duigan suitability concern with frequent delays and limitations in Bass Strait. Stakeholders critical of suitability of JD. JD utilisation rate is low. Recommendation for expert review of vessel suitability and cost optimisation. 	<ul style="list-style-type: none"> Pricing schedule for BIL published for transparency. Review of JD suitability. TasPorts engage with KI stakeholders on fee structures and services. BIL pricing policies does not exceed costs but higher than main competitors.
Port of Grassy Review of Port Feasibility Study 2008	DSG	2023	<ul style="list-style-type: none"> Review of Grassy Port Masterplan (2008) 	<ul style="list-style-type: none"> Freight volumes have increased from 34,177t (2008) to 90,167t (2023) with peaks driven by mineral sands. Livestock, fertiliser, fuel and general cargo remain dominant. Berth utilisation remains low at 12-32% well below 	<ul style="list-style-type: none"> Current vessels: JD, King Islander and Matthew Flinders IV (3 operators). SRM retired in 2017 too large and incompatible with Grassy Port infrastructure. Larger Bass Strait shipping operators moved to larger and faster vessels (KI 	<ul style="list-style-type: none"> Current Grassy Port infrastructure meets demand. Port upgrade likely now estimated at \$87-100m Freight delays to weather acknowledged but not sufficient to justify large capital investment. Any future upgrades would require federal

Report	Author	Year	Key References / Context	Freight Review	Ship Review	Recommendations
				industry threshold of 60-70%.	unsuitable on that service). <ul style="list-style-type: none"> All-weather access remains limitation due to surge but delays are typically short (1-2 days) and often related to crew and cargo safety (livestock welfare). 	funding and review of BCR. <ul style="list-style-type: none"> Major capital investment would put upward pressure on maintenance costs and wharfage fees.

There are a number of key themes and assessment of the freight and shipping issues that have been well discussed and considered over the last 20 years through the changing shipping services.

The freight forecasting volumes have not necessarily been well predicted as noted from the above reports. Whilst this is not part of scope for this study we have reviewed in the context of ship operations and infrastructure and recognising that key assumptions from previous reports need to be possibly revisited.

The reporting does highlight consistency in vessel capacity for 100-120 TEU weekly capacity with minimum 2 shipping services per week and support of cooperative approach to shipping and freight services as well as the benefits on establishment of a triangulated service for King Island with Tasmania and Victoria.

5. Freight & Shipping Review

An overview of the port infrastructure and shipping requirements for the Port was considered (whilst out of scope) to understand the context of infrastructure and operational need through historical trends and projections. This assessment was based on desktop review through previous reporting, online research and stakeholder inputs.

5.1 Freight

In the last 12 years the freight thruput for the Port has grown on average 3.2% per annum in that time with high variability based on changes to outbound freight for livestock with the closure of the abattoir and then variability in mining exports and trade. Based on these major influences inbound and outbound freight is well in excess of previous freight forecasting undertaken in 2012. This needs to be revisited in the context of understanding demand, forecasting and shipping servicing requirements.

Table 7 Annual Freight

	2012	2013	2014	2015	2016	Average Annual 10 yrs to 2022	2023	2024	2018 GHD forecast*	2033 GHD forecast*
Inbound freight (t)	34,525	30,845	29,432	35,093	35,440	40,329	45,403	48,450	27,716	32,032
Outbound freight (t)	37,108	48,425	35,283	40,673	32,608	54,124	44,764	55,600	45,084	36,244
Total freight (t)	71,633	79,270	64,715	75,766	68,048	94,453	90,167	104,050	72,800	70,309

* forecast developed from 2012/213 King Island Shipping Service Project and recommended for review and re-projection.

Mining operators on King Island provided direct feedback on limitations to import of supplies and machinery in the early mine development and continual operations as well as export production forecasts. The current and future (short term) demand increases will likely be lead through mining production as well as seasonal impacts on farming.

5.2 Shipping

Shipping services through the period of study varied between 3-4 ship visits per week in May down to 1-2 ship service per week in June. The current services provide a level of committed sailings and adaptation to demand however its noted that feedback from the engagement indicated a 3-4 week waiting period on freight deliveries and issues in freight forwarding through and from Victoria.

As outlined above the shipping services are currently operated through:

- **Bass Island Line (BIL), John Duigan:**
 - providing weekly committed sailing (Tuesdays) with capacity for general cargo, livestock trailers, containers, fuel ISOs and machinery.
 - Operates Devonport – Grassy – Devonport.
 - Provides linkage to SeaRoad for Devonport – Melbourne services.
 - Gross capacity of 1,700t.

- **Eastern Line Shipping (ELS), King Islander and Statesman:**
 - Providing on demand service (nominally 1-2 per week) with livestock trailers and general cargo.
 - Operates Stanley – Grassy – Stanley; Stanley – Grassy – Port Welshpool (return); and Welshpool – Grassy – Welshpool.
 - Gross capacity of 1,400t
- **Bass Strait Freight (BSF), Matthew Flinders III/IV:**
 - On demand. providing general freight and livestock on the hoof (no trailers).
 - Developing new berthing to support operations from: Smithton – Grassy – Smithton; Smithton – Grassy – Port Anthony (return); and Port Anthony – Grassy – Port Anthony.
 - Gross capacity of 300t and 600 head of cattle.

The above freight summary review suggests a demand 1,000-1,200t capacity inbound and outbound freight per week plus the allowance for livestock and empty movement of containers, ISO and trailers. This suggests that combined capacity of the above shipping service every week and on-demand is more than adequate to support the freight tasks with contingent capacity.

The current and planned shipping operators provide King Island with a range of options including direct access to Tasmania and Victoria (eastern region) in conjunction with the broader shipping.

Figure 5 Shipping Service Routes



The above shipping routes provide a range of options for accessing both Tasmania and Victoria through metropolitan and regional areas.

Bass Strait is notorious for difficult wave conditions with swell influences from both westerly (predominant) and easterly directions. Strait Link, Sea Road and TT Line have all moved to larger faster ships (over 200m).

The lee of King Island provides a level of protection from westerly swell waves however from Hunter Island (NW tip of Tasmania) through to Grassy is directly exposed to swell from the Southern Ocean building over a long duration and distance. It's noted that vessel transit through this section of water can be limited due to sea state conditions and safety of ship, crew and freight.

Due to the demand for shipping for metropolitan ports it is difficult for regional ports to have direct access or meet the port costs and thruport demands.

Bass Island Line attempted a Devonport-Grassy-Geelong route for a period but did not have sufficient freight demand or capacity to continue the service and meet operating and port costs.

Eastern Line Shipping utilizes a partnership with Storr Transport in Victoria to support freight movements from Port Welshpool to Melbourne. They run a weekly service through Grassy and to Port Welshpool or on demand.

Bass Strait Freight has a proposal for development of a new regional port in Smithton and Port Anthony which is currently underway and will provide capacity for freight and livestock movements to both northwest Tasmania as well as regional Victoria (for feedlots). Bass Strait Freight transport livestock on the hoof eliminating the need to transport empty trailers but introducing other controls for livestock handling within the port and is currently limited using the existing Ro-ro ramp at low tide within the Port.

6. Stakeholder Engagement

The feedback from the engagement

6.1 General Feedback

Table 8 Engagement Constraints & Opportunities – Grassy Port

Constraints:	Opportunities:
<ul style="list-style-type: none"> • Aging and outdated infrastructure. • Vulnerable to weather. • Internal harbour and berth surge from swell. • No infrastructure contingencies. • Need to enable larger vessels. • Direct shipping access to mainland (time and costs). • Daylight hour port operations. • Single ramp to suit varying vessels (limitations on tide). • Loading and unloading out of specification cargo. • Protection of cargo from seawater exposure through shipping transits. • Limitation on meeting seasonal challenges (seas, winds, drought, markets, etc.). • Cattle trailer and washdown locations. • Bass Strait weather conditions (transit and at Port). • Delays in receiving freight. • King Island is heavily dependent on freight through shipping or air services. • Fuel delivery in ISO containers. • Empty livestock trailer delivery limits import capacity (efficiency). • Livestock export to Victoria (feedlots and abattoirs). • Managing livestock transport with trailer and exposed barges. 	<ul style="list-style-type: none"> • Access to rock for reclamation or breakwater infrastructure through scheelite mine development. • Improved passenger and vehicle transport. • Future proofing for long term trends (larger ships). • Improved all-weather port access and operations. • Direct linkage to Victoria/Melbourne and/or triangulated shipping services • Increased port operations. • Broader shipping capacity (larger vessels). • Cooperative support between shipping services and users in improving operations and port access.

A broad range of stakeholder feedback was provided in the Stakeholder engagement report.

It was difficult to identify specific infrastructure or operational improvement options from the broader stakeholder engagement however the key constraints and opportunities combined with assessment of

the existing port infrastructures were considered in the development of infrastructure and operational improvement recommendations.

TasPorts and the current shipping operators provided more target feedback in relation to port infrastructure and operational improvement options:

6.2 Stakeholder User Feedback

6.2.1 Port & Shipping

TasPorts

- Berth utilization of Grassy is low at 11-14%.
- Infrastructure at the port supports the predominant shipping services.
- Infrastructure investment in the port in the last few years as noted in Section 3.2.
- No demand for fertilizer storage capacity.
- No demand for increased berth utilization.
- Growth in imports and exports is subject to current mining operations and livestock movements (seasonality or drought).
- Surge is a major risk to operations and consideration to limitations by the Clapham master.
- Night operations have been extended in summer periods to increase berth access but generally the unloading and loading of a vessel takes a full day (8 hours).
- Southern breakwater proposal capital and maintenance costs would require state or federal funding (i.e. income from wharfage could not substantiate the level of investment).
- Options to improve infrastructure at Stanley and Devonport to complement shipping services.
- Transit of livestock in poor sea conditions is not recommended and a limiting impact to shipping services.

Bass Island Line

- Currently BIL provides weekly shipping service (Tuesdays) with capacity to extend to two shipping services per week when demand requires it.
- Previous BIL triangulated services through Devonport-Grassy-Geelong showed promise but could not be maintained due to low volume. Devonport-Grassy-Devonport route that connects with Devonport-Melbourne/Geelong through the major freight operators.
- Stanley-Grassy-Stanley could improve transit (shipping) time but linkage to freight forwarding and JBS through Devonport is currently preferred transit route with limited port infrastructure to support both BIL and ELS out of Stanley.
- BIL identified that working relationship and shared support services with Eastern Line Shipping was resulting in a benefit to freight demand and port availability.

Eastern Line Shipping

- ELS operate from Stanley-Grassy-Stanley and Port Welshpool on a weekly basis (often twice weekly subject to demand).
- ELS has provided increased sailings subject to demand and will work with BIL in management of freight demand where possible.

- ELS note issues of surge and restricted daylight operations and improvement in these areas will significantly improve shipping services.
- ELS note improved data and awareness of weather and berth conditions (TasPorts and BoM data) ensures farmers, suppliers and ship masters (and ship operators) are more aware of shipping limits than in the past.
- ELS support infrastructure investment to manage surge but recognise freight demand is not sufficient to drive significant capital investment.

Bass Straight Freight

- BSF has commenced shipping operations from Bridport to Grassy to Port Welshpool with plans for infrastructure investment and development to provide a triangulated service from Smithton-Grassy-Port Anthony.
- BSF is also reviewing ship services and sizing to expand on the capacity of vessels to carry livestock (on the hoof), containers, fertilizer, bulk cargo and fuel (in bulk or ISO).
- BSF has operated a successful shipping service for Flinders Island with purpose-built vessels for port limits, island freight demand and operations at a significantly lower shipping cost base to King Island. Proposal to service King Island with similar model allowing for transport of livestock, general freight fertilizer and bulk fuel.
- BSF has challenges with operational inefficiencies at the Port of Grassy with limitations to port access to only daylight hours, fitting in behind two other shipping services (all wanting to service in calmer weather) and limitation on ramp compatibility with their ship.

7. Port Design Inputs

7.1 Design Considerations

The following design considerations were considered in the preparation of options for upgrading the Grassy Port Infrastructure.

The current port includes outer breakwater providing wave protection to the harbour with main wharf on the western side. Due to the orientation of the harbour and ocean swell conditions offshore the harbour experiences surge conditions internally that limit the operations at the berth.

Previous port studies (2008) have aimed at considering increased protection to the port to limit surge or to reconfigure the port for increased all weather protection. It is noted that due to the nature of the exposure of Grassy Harbour to the southern ocean and Bass Strait that large swell events will always result in surge conditions and in particular difficult navigating conditions on transit to the port which often are limiting factors.

Based on the stakeholder input, review of previous reporting and consultation with current operators we have identified a number of key considerations to design inputs for port infrastructure and operational improvements:

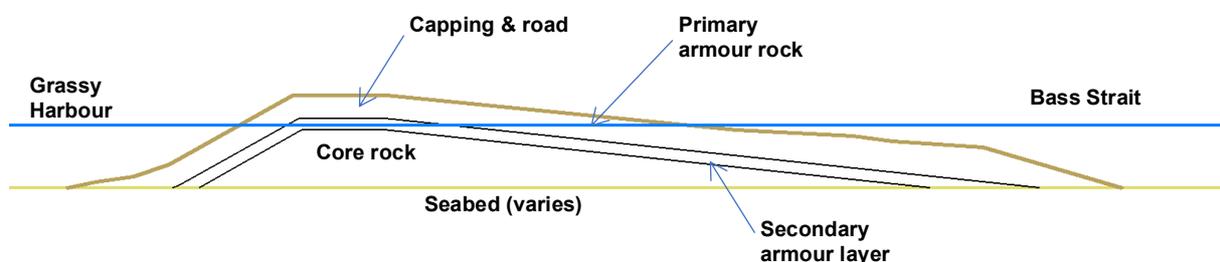
- Design vessel: broad range of vessels between 40-90m.
- Improved wharf protection where possible utilising rock available from the G6 mine for breakwater construction.
- Consideration to ramp improvements incorporating functionality for range of vessels as well as berth access with mooring and fendering.
- Depth and navigation for design vessels and port limits.

7.1.1 Existing Breakwater Design & Construction

The existing breakwater for Grassy Port was constructed in the 1970s and was formed as a berm breakwater with armour rock varying from 6-12tonne in size. The width and slope of the seawall is designed to allow for damage due to severe storm events whilst maintaining the integrity of the breakwater structure. The flatter toe batters and width on the seaward face of the breakwater allows for both construction staging and formation in severe conditions and erosion management.

A typical section for the breakwater is provided below.

Figure 6 Typical Section of Existing Breakwater



The seaward batter slope of the breakwater is significantly flatter than the internal harbour which is a function of the design of the armour rock size and breakwater to the design wave conditions.

For the purposes of this review, we have assumed design of any new breakwaters with similar design criteria adopted whilst confirming with G6 on rock size up to 6t can be achievable subject to volume.

7.1.2 Breakwater Designs

The concept designs for a new breakwater have been based on Van Der Meers method in accordance with the Coastal Engineering Manual (CEM) (US Corp).

Figure 7 Typical Berm for Deepwater Construction (CEM)

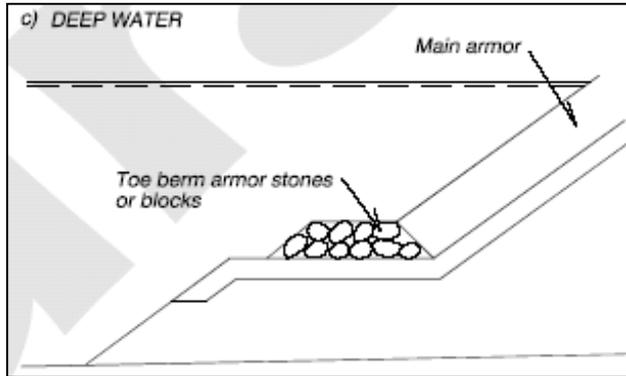
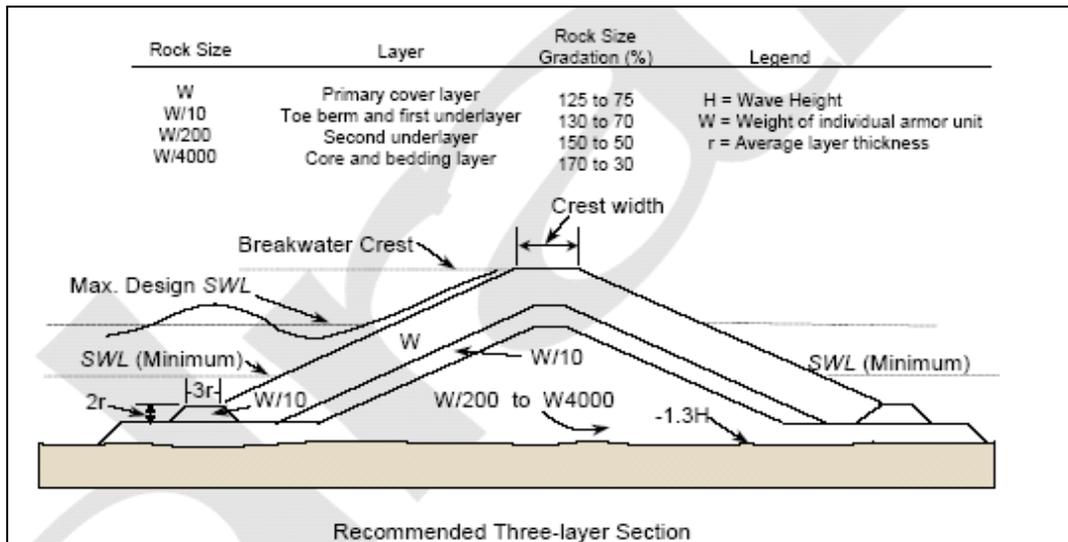


Figure 8 Typical Breakwater Construction (CEM)



7.1.3 Water Depths

The water depths within the Grassy Port and navigational channels are surveyed by TasPorts on a regular basis. Desktop inputs for water depths were used to develop and review infrastructure costs and quantities for infrastructure options.

7.1.4 Port Internal Wave Climate

As highlighted above TasPorts provide Metocean data for King Island through wave buoy and wind anemometer at the Port. The data can be downloaded but freely available in visual form for the public. Ship masters and TasPorts regularly use the data to monitor conditions are suitable for ship sailings/transit as well as surge and wind conditions at the berth within the Port.

An extract of a 7-day output last week is provided for reference. The data is available from <https://metocean.tasports.com.au/kingisland-standby>

A preliminary assessment of the wave data was undertaken to understand the number of events per month where wave records exceed 0.5m Hmax (maximum wave height) and 0.3m Hsignificant wave height.

Figure 9 TasPort MetOcean Output – Wind & Wave

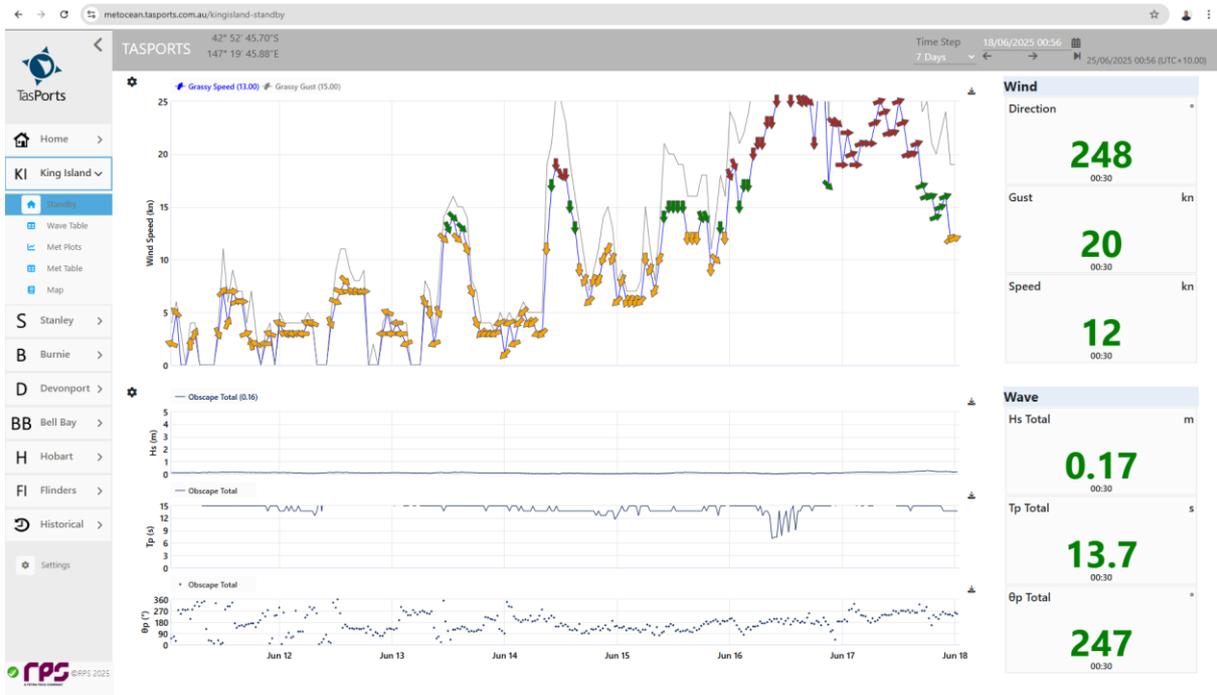


Figure 10 TasPort MetOcean Wind & Wave Device Locations

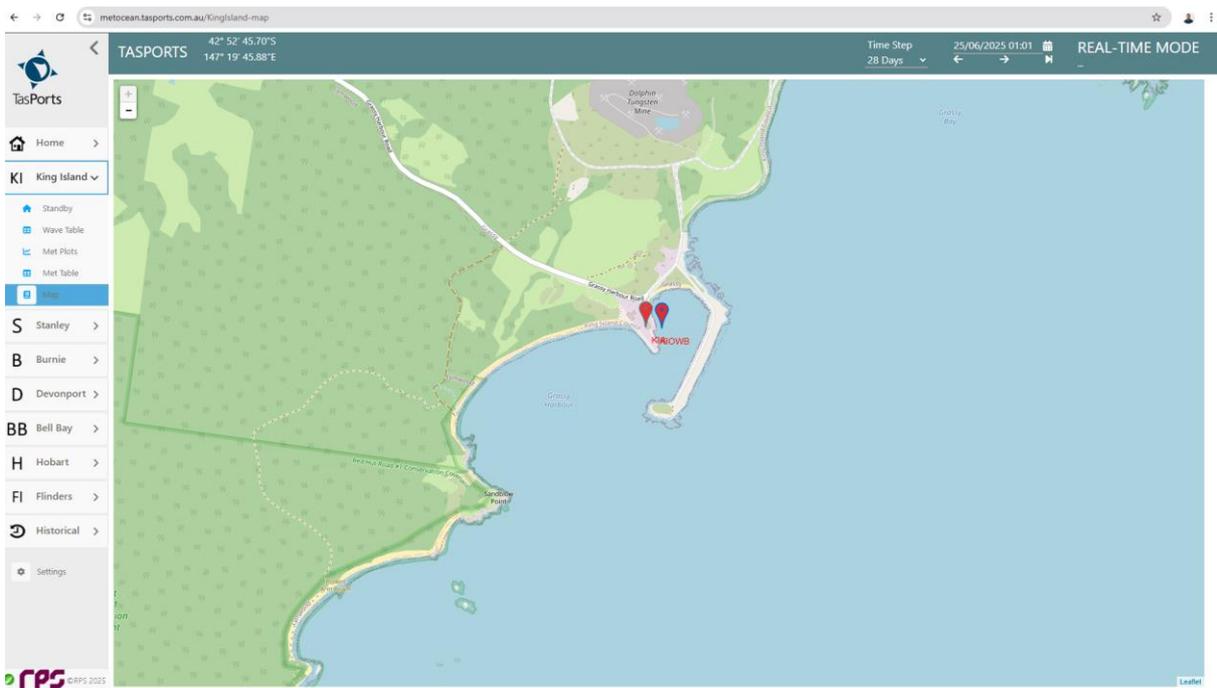


Figure 11 Directional Distribution of Waves, Port of Grassy

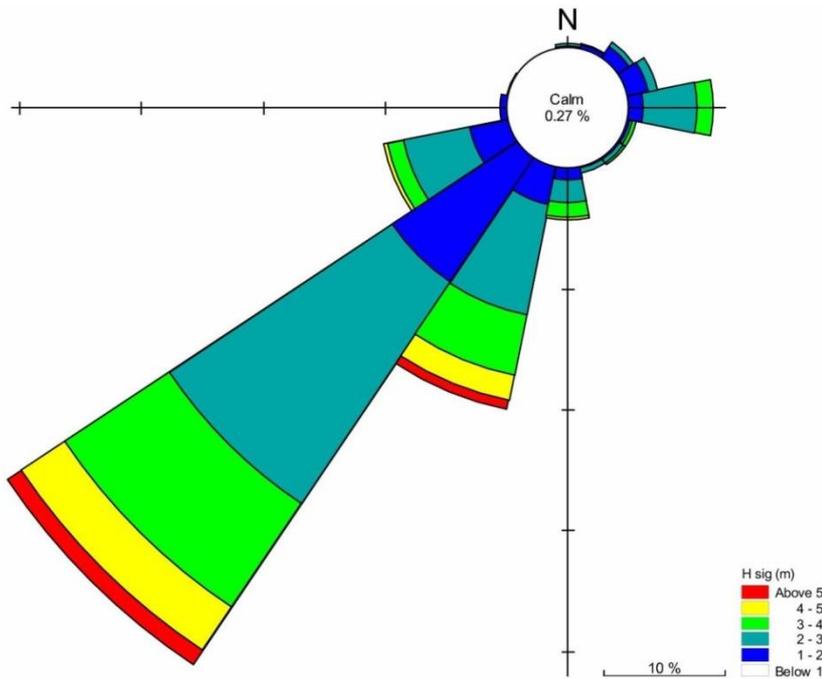


Table 9 Percentage Distribution of Significant Wave Height (offshore)

Wave Period (seconds)	Significant Wave Height (H_s m)						Total
	<1	1-2	2-3	3-4	4-5	>5	
<6	-	0.1	0.3	-	-	-	0.4
6-7	0.1	3.4	1.5	-	-	-	5.1
7-8	0.1	10.0	8.8	0.7	-	-	19.6
8-9	-	7.8	16.7	2.6	-	-	27.1
9-10	-	2.9	10.1	6.3	0.1	-	19.5
10-11	-	0.8	4.1	4.8	2.2	0.1	12.1
11-12	-	0.3	2.9	3.7	2.2	0.7	9.7
12-13	-	-	1.1	1.6	1.4	0.4	4.5
13-14	-	-	0.1	-	1.1	0.8	2.1
Total	0.3	25.3	45.6	19.7	7.0	2.1	100.0

The above summary of the wave height distribution offshore of the Port suggests that offshore waves are greater than 1m 99.7% of the time and greater than 3m 29% of the time with predominant wave conditions between 1-3m (70%).

Table 10 Percentage Distribution of Significant Wave Height & Direction (offshore)

Peak Wave Direction	Significant Wave Height (H_s m)						Total
	<1	1-2	2-3	3-4	4-5	>5	
N	-	0.1	0.1	-	-	-	0.3
NNE	-	0.3	0.1	-	-	-	0.4
NE	-	1.1	0.4	-	-	-	1.5
ENE	-	1.8	0.7	-	-	-	2.5
E	-	1.2	4.4	1.4	-	-	7.0
ESE	-	0.1	0.3	0.3	-	-	0.7
SE	-	0.1	0.4	0.1	-	-	0.7
SSE	-	0.1	0.4	-	-	-	0.5
S	-	1.1	1.9	1.2	0.1	-	4.4
SSW	-	3.0	9.3	5.1	2.2	0.7	20.3
SW	0.3	12.3	22.1	10.3	4.4	1.4	50.7
WSW	-	3.3	5.5	1.4	0.3	-	10.4
W	-	0.5	-	-	-	-	0.5
WNW	-	0.1	-	-	-	-	0.1
Total	0.3	25.3	45.6	19.7	7.0	2.1	100.0

Based on above the table the outer breakwaters will experience wave heights between 2-3 metres 46% of the time with 86% of waves in the south to westerly quadrant. Easterly waves are between 1-4m in 7% of the time but predominantly seasonal (summer).

Previous modelling undertaken by GHD for the port feasibility (2008) indicated that for a 3m offshore wave the internal wave climate at the existing wharf will vary between 0.30m (8.5s period) and 0.64m (14s period waves) highlighting benefits of an awareness to the key wave parameters that impact surge within the Port (greater than 8s and up to 14s influences surge more than waves less than 8.5s). Its highlighted above in Table 9 Percentage Distribution of Significant Wave Height (offshore)Table 9 that wave conditions are less than 9s 50% of the time. The modelling in the 2008 report indicated that the new breakwater would provide a nominal 80% reduction on surge at the berth.

Figure 12 SW wave height for 3m & 8.5s period

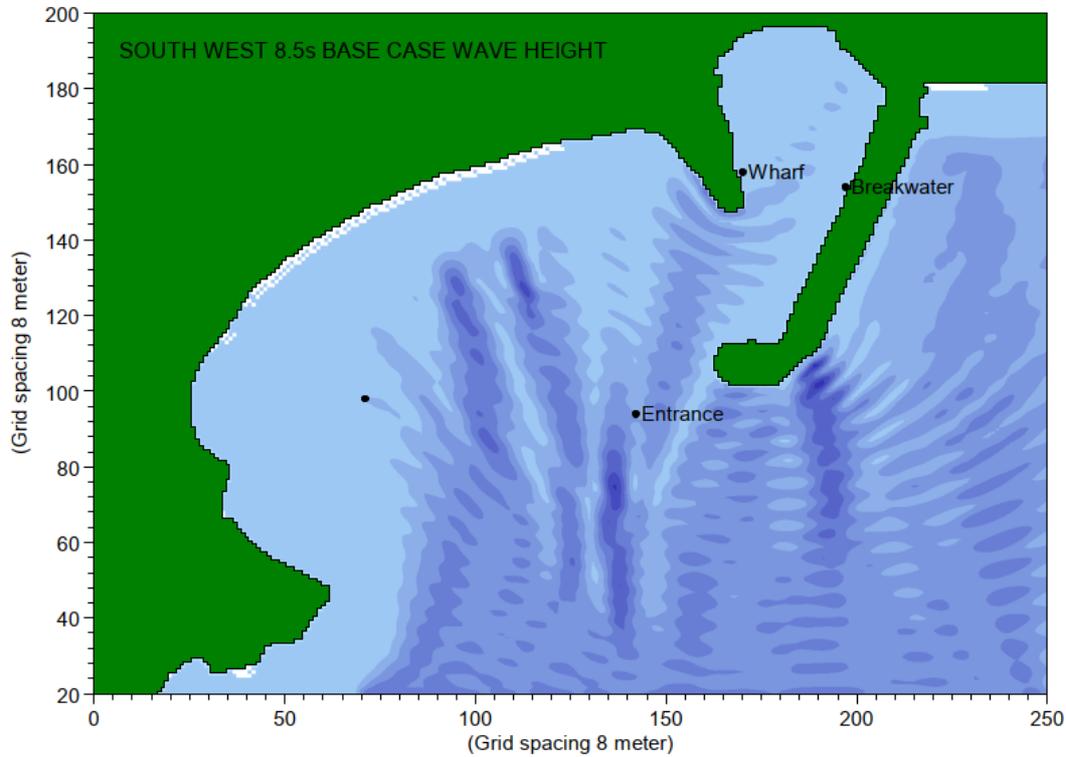


Figure 13 SW wave coefficient for 3m & 8.5s period

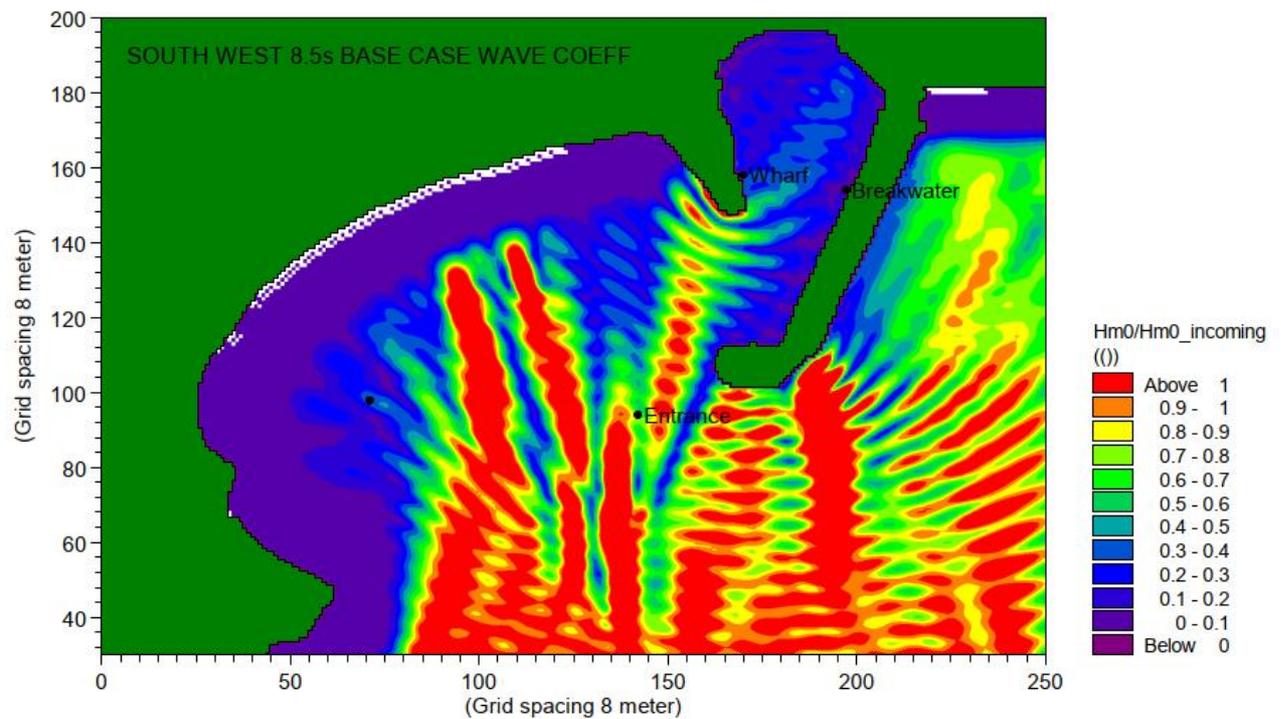


Figure 14 SW wave height for 3m & 14s period

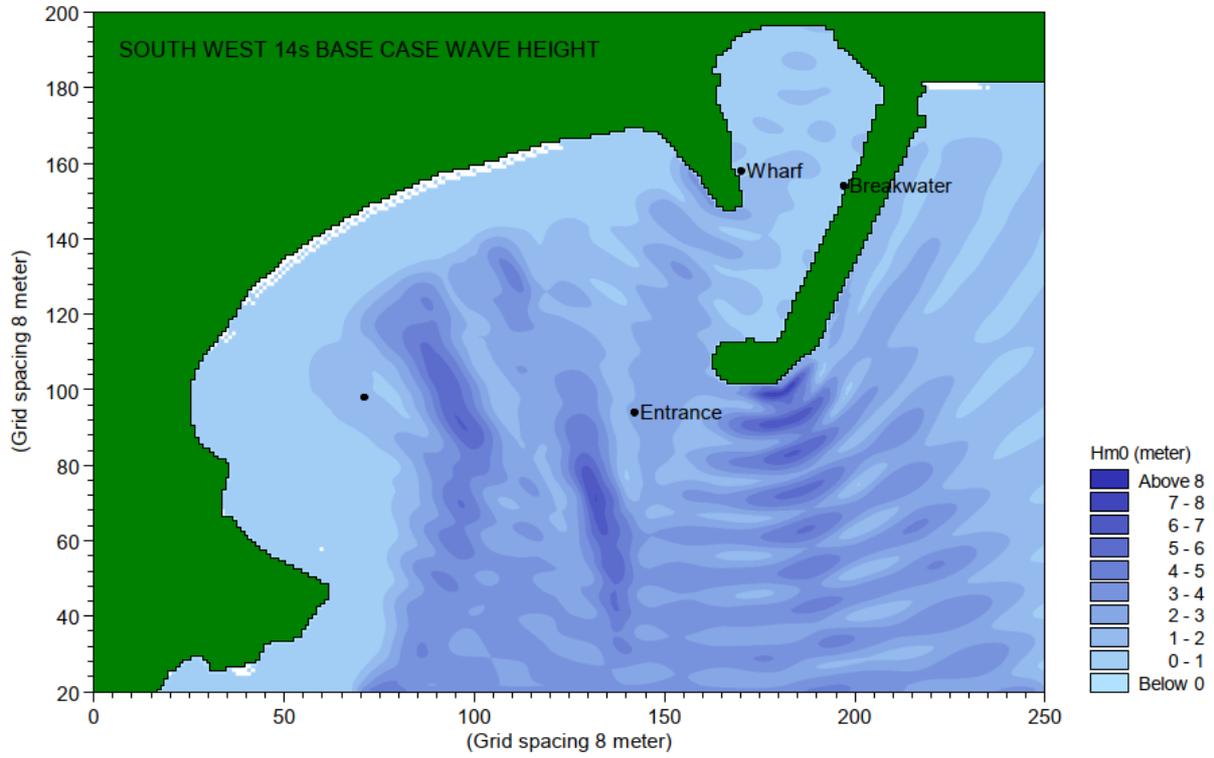
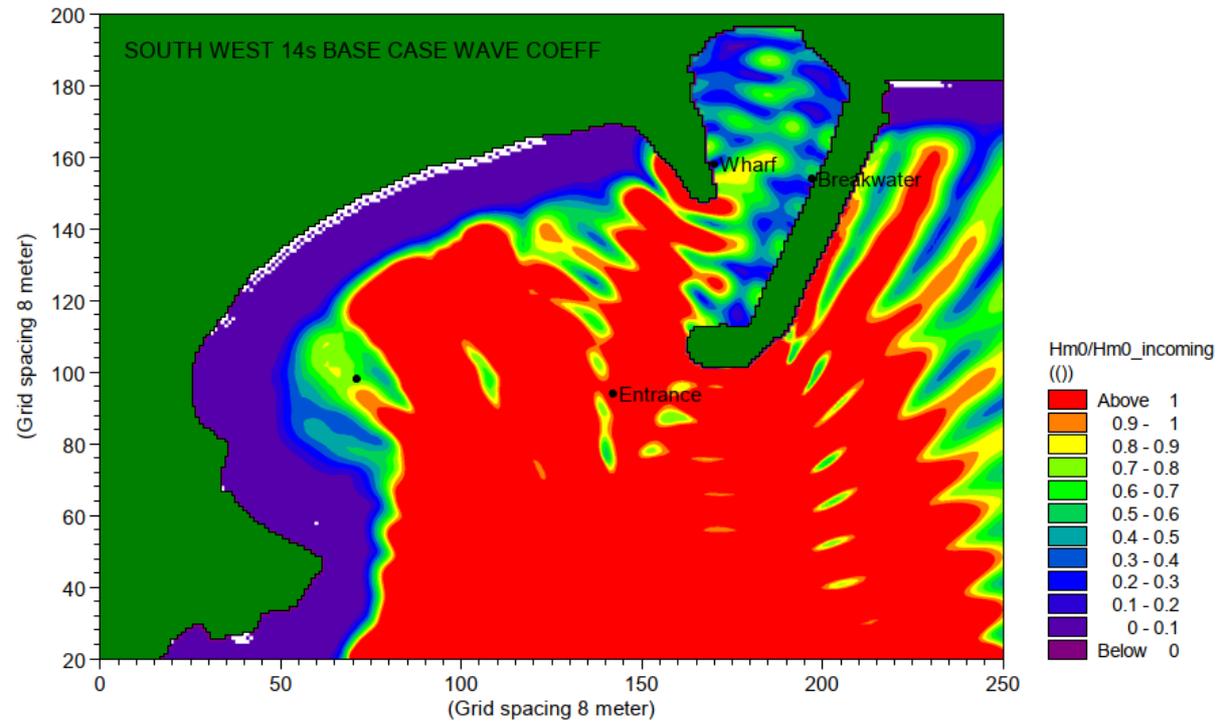


Figure 15 SW wave coefficient for 3m & 14s period



8. Port Upgrade Infrastructure Options

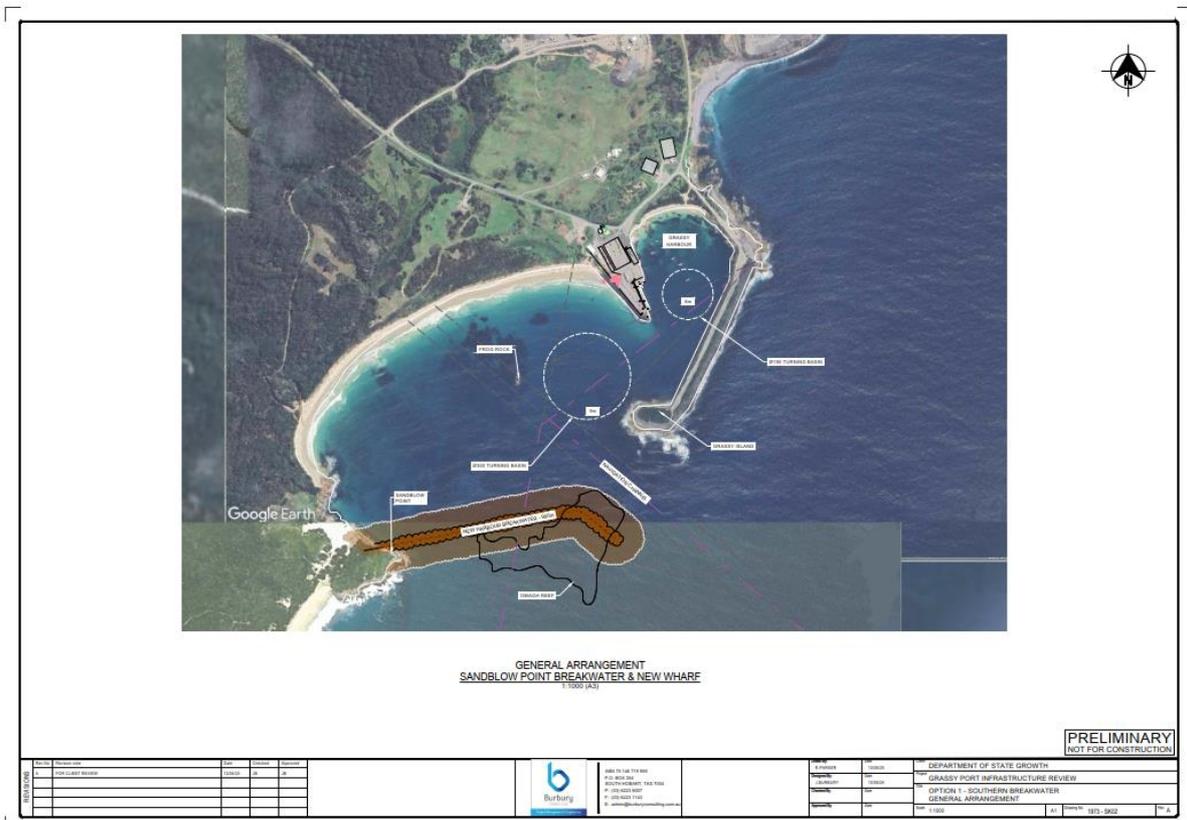
The following key feedback themes were considered as priorities in assessing port infrastructure and operational options for improvement at the Port.

- All-weather port (improved port conditions).
- Improved surge conditions.
- Improved ro-ro ramp infrastructure for full range of vessels and tides.
- Options for increased ship functionality.
- Extending hours of operation during periods of calmer (reduced surge) conditions.
- Options for improved berth utilisation in good weather conditions including berth access and extended operational hours.

8.1 Option 1 – Breakwater from Sandblow Point 950m (2008 Feasibility)

This option is based on the 2008 Feasibility Study layout with a 950 lineal breakwater from Sandblow Point across Omagh Reef providing protection from the prevailing weather. This would enable construction of a larger wharf facility adjacent to the Grassy Wharf if required but generally improve the surge conditions at the berth through the outer breakwater. It's noted that the entrance will still be exposed to the incoming surge and hence internal harbour conditions will still result in surge at the berth. A review of the concept design, rock volumes and costs was undertaken for this option.

Figure 16 Option 1 Layout



Advantages

- Increases berth access for larger draft vessels (subject to TasPorts review).
- Improves flexibility of berth usage and navigation.
- Will reduce surge inside the harbour up to 80% and less than port limits for greater range of operational capacity.

Disadvantages

- Navigation of larger vessels may still require berthing assistance (tugs).
- Requires large volume of rock quantity and construction cost.
- Significant risk to damage during construction.
- Vessels still subject to wind limits.
- Will require lengthy approvals and impact assessments on length of the breakwater and for works associated with marine dumping, new roads, land ownership, etc.

Estimated Construction Costs

- Rock supply volume = 1.8M tonne
- **Total project estimate = \$140m**

8.2 Option 2 – Eastern Breakwater & New Wharf

This option was considered in the 2008 Feasibility Study but due to the proposed scheelite mine reclamation had to be orientated further into deeper water and hence a significant construction cost for the breakwater (length and depth). The scheelite reclamation proposal has since changed allowing for a revised design approach.

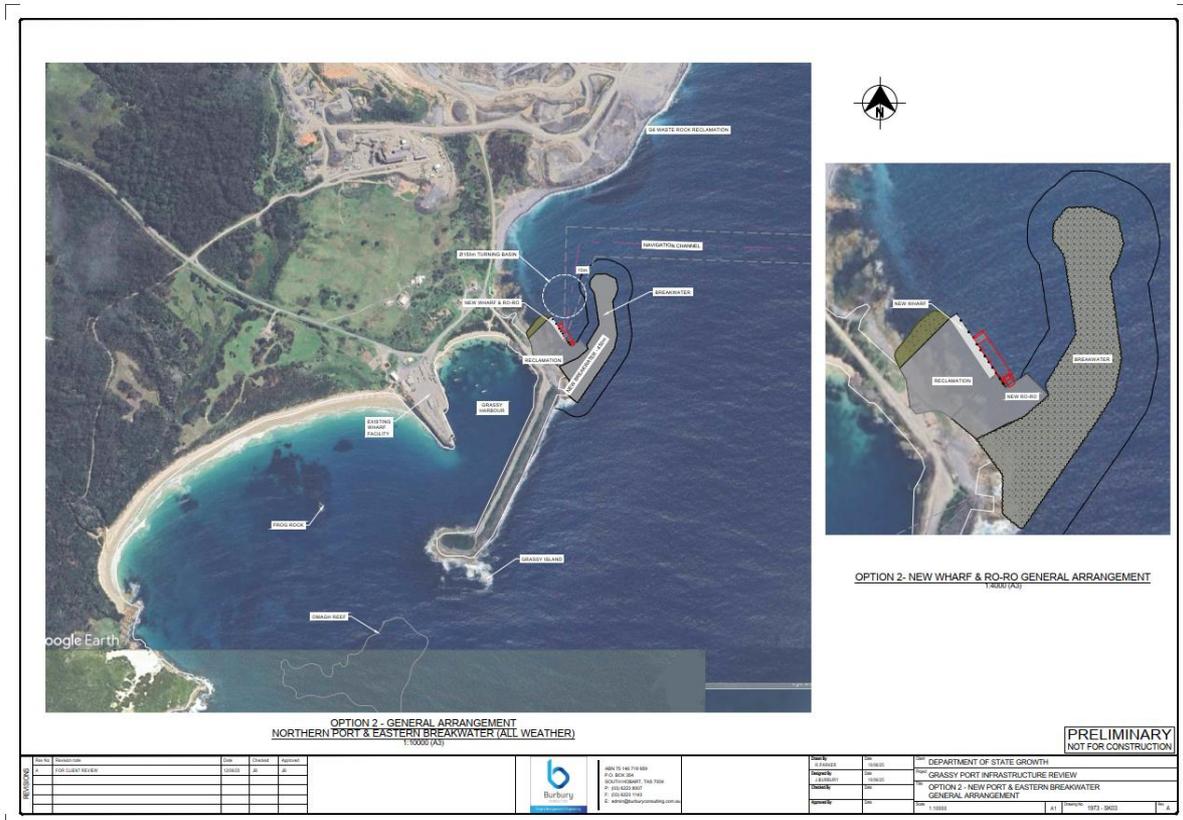
The design approach for this option is utilising the natural protection of the existing breakwater and construction of a new breakwater to the north east to protect against prevailing conditions. The extension will be subject to waves along the existing breakwater and the south to east quadrants and likely result in agitated wave conditions at the harbour entrance beam on to the ships transiting into the harbour (significant proportion of time).

Whilst the east to northerly winds are more seasonal, the return on the breakwater is required to protect the head from waves and provide adequate wave protection from those wind and wave conditions to maintain an “all weather” port.

This proposal would require a significant amount of rock from the G6 mine and to work with them on integrating the layout with planned/approved waste rock reclamation.

The proposal would require a new port, wharf and ro-ro ramp resulting in a significant level of investment but developed for a comparative assessment to Option 1.

Figure 17 Option 2 Layout



Advantages

- Provides increased vessel size access to Grassy Port with new wharf and Ro-ro.
- Maintains expansion within port planning area and zoning overlays.
- Will have reduced surge and harbour oscillation compared to existing wharf and Grassy Harbour (lee protection of existing breakwater and new harbour entrance).
- Wharf located on similar alignment to existing wharf (berthing management).
- Increase under keel clearance at berth and navigation.
- Can be constructed from existing port area with access and roads available reducing transport costs.
- Has protection in the lee of the existing breakwater reducing risk of damage during construction and reduced wave climate exposure.

Disadvantages

- More significant seabed slopes along the breakwater length hence stability and volume of rock is important design aspect.
- Still requires significant level of investment and rock quantity for construction.
- Risk of damage during northerly to easterly weather, however records and models indicate probability is low.

Estimated Construction Costs

- Rock supply volume = 1.2M tonne
- Breakwater & reclamation construction estimate = \$80m
- Wharf (and other works) construction estimate = \$30m
- **Total project estimate = \$110m**

8.3 Option 3 – Extension to Existing Breakwaters

This option proposes a minor extension to the existing Grassy Island breakwater and port breakwater with the aim to reduce wave energy entrance within the Port. The proposed extents have been developed to minimise impact on existing navigation and reduction in rock volumes (likely a limitation on production of large rock quantities).

There are shallow rock reefs on the outer of Grassy Island that would enable backend tipping and formation of an extension to the breakwater without extending significantly to deep water which is a trade off on level of protection. This option is aimed at producing a measurable reduction in surge at the berth and requires a more advanced level of wave modelling to understand the actual benefits (not included for this study).

Figure 18 Option 3 Layout



Advantages

- Increase on port protection from breakwater extensions.
- Maintains existing port infrastructure so adaptable to future port plans.

- Will reduce surge at the berth pocket (say 10-30%).

Disadvantages

- Will not increase limitations on vessel lengths.
- Encroachment on navigation (reduced entrance width).
- Still requires level of investment on internal Ro-ro ramp and wharf to improve operations.
- Potential impact on penguin habitat on existing breakwaters.

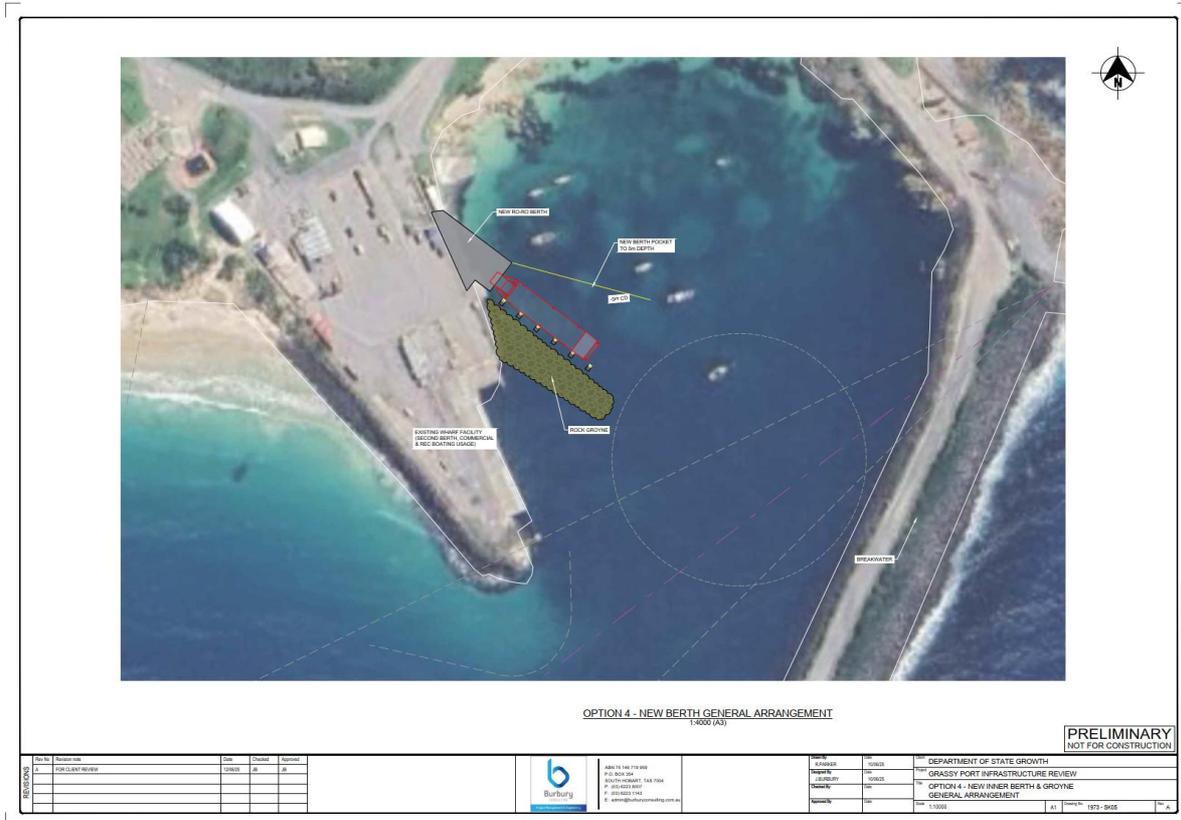
Estimated Construction Costs

- Rock supply volume = 60,000 tonne
- Breakwater construction estimate = \$5.5m
- Other works (nav aids, approvals, engineering, construction, contingency, etc.) = \$2.5m
- **Total project estimate = \$8m**

8.4 Option 4 – New Inner Berth with Groyne Protection

This option proposes a new inner berth for smaller vessel Ro-ro in conjunction with a new inner groyne to improve surge conditions at the berth. The groyne and orientation of the berth proposed to maximise protection at the proposed new wharf utilising rock from the G6 mine. The proposal would require dredging of the berth pocket to achieve adequate depth and construction of a new wharf or dolphins and Ro-ro ramp for access to the existing Port hard stand.

Figure 19 Option 4 Layout



Advantages

- Increase on port protection from inner groyne.
- Maintains existing port infrastructure so adaptable to future port plans and support dual berthing occupancy (for calm conditions only).
- Will reduce surge at the berth pocket (say >30%).
- May be undertaken in conjunction with Option 3 for improved existing berth conditions however the inner groyne will increase surge conditions at the existing berth.

Disadvantages

- Will not increase limitations on vessel lengths.
- Encroachment on navigation (reduced entrance width).
- Still requires level of investment on internal Ro-ro ramp and wharf to improve operations.
- Impacts existing moorings and commercial landing wharf (option to allow for existing wharf access).

Estimated Construction Costs

- Rock supply volume = 20,000 tonne
- Breakwater & reclamation construction estimate = \$2.5m
- New berth and Ro-ro ramp for 100m vessels = \$10m

- Dredging = \$2.5m
- Upgraded fendering to existing wharf for adapted usage = \$0.5m
- Other works (nav aids, approvals, engineering, contractor margin, contingency, etc.) = \$6m
- **Total project estimate = \$21.5m**

8.5 Other Infrastructure & Operational Options

- Other infrastructure and operational options for improvements to existing wharf:
 - Improved fender protection to existing wharf and Ro-ro ramp.
 - Upgrade to ro-ro ramp for improved tidal access.
 - Installation of outer harbour wave buoy to correlate wave and identify early warning to internal wave surge risk exposure.
 - Development of shipping cooperative between service providers.
 - Upgrade to mooring and fendering to improve vessel response to surge.
- Operational improvements:
 - Probability exceedance analysis of wind, internal wave (surge) conditions combined with berth utilisation to understand operational condition review for the Port. This could be extended into a broader model that can assist with prediction of increased harbour surge based on weather observations and forecasts whilst using AI to refine and adapt the model. The benefits of this will provide another tool for monitoring and forecasting surge conditions within the harbour which may assist consideration of port limits for operating hours.
 - Refined harbour agitation study in conjunction with options review for surge/operational (extended breakwaters) improvements to understand potential benefits versus capital expenditure in consideration to the above operational condition review of the Port.
 - Increased berth access during calm weather conditions whilst utilising above inputs.
 - Formation of Strategic Partnership – among various businesses, organisations and companies (including shipping and TasPorts as well as key King Island organisations). This would take the form of a shipping alliance to collaborate to optimise operations and increase efficiency in freight handling, shipping, port operations and services. Such an alliance would allow the member companies to share assets such as vessels, containers, cargo holds, port facilities, services and routes leading to improved service provisions.
 - Key features of a cooperative shipping alliance would be:
 - Shared resources – pooling of vessel capacity, equipment and land-based facilities, technological standardisation.
 - Cost optimisation – by sharing resources, achieve reductions in operating costs.
 - Service improvement – offering more frequent sailings, faster transit times, increased port productivity, 24/7 port operations.
 - Network coverage – expansion of the overall network of the alliance members.
 - Market influence – a collective approach can exert influence on port ownership/management on port charges and service reliability.

Table 11 Other Upgrade Options and Costs

Item	Scope	Estimated Project Costs (ex GST)
1	Improved fendering and mooring for side and stern ramp	\$4m
2	Upgrade to Ro-ro ramp for increased tide access	\$8m
3	Installation of outer ADCP for wave monitoring	\$500k
4	Wave and wind probability exceedance modelling and operational port conditions review and program	\$200k
5	Update to shipping and freight forecasting study (2035)	\$100k

9. Multi-Criteria Analysis of Options

A multi-criteria analysis (MCA) of the presented options was undertaken in conjunction with DSG for agreement on the criteria and weightings.

For the purposes of comparative analysis the options considered in the MCA included:

Table 12 Summary of Options for MCA

Option	Description of Scope	Capital Cost
Do nothing	Business as usual with installation of additional monitoring, wave revies and shipping freight forecast studies.	\$800k
Option 1 – Southern Breakwater	900Lm breakwater to south to improve surge and wave protection	\$140m
Option 2 – Eastern Port	New port & eastern breakwater	\$110m
Option 3 – Extend existing breakwater	Extension of existing breakwaters to increase port protection (minor).	\$8m
Option 4 – New inner berth	New inner berth with groyne, ro-ro and dredging	\$21.5m
Option 5 – Existing Berth fender and ramp upgrades	Upgrade on fendering, mooring and ramp of existing berth	\$12m

The MCA criteria and weightings include:

Table 13 MCA Criteria & Weightings

	Criteria	Calculated Weight
A	Capital Cost	19%
B	Ongoing Operational Cost	8%
C	Return on Investment	15%
D	Commercial Benefit	11%
E	Community Benefit	6%
F	Operational Improvement	10%
G	Shipping and Navigational Safety	9%
H	Environmental Risk	11%
I	Constructability Risk/Resources	4%
J	Economic Benefit	8%

Table 14 MCA Summary Results

Criteria	Weight	Do Nothing Business As Usual +Wave Instruments & Reviews	Option 1 Southern Breakwater	Option 2 Eastern Breakwater & Port	Option 3 Extend Existing Breakwaters	Option 4 New Inner Berth	Option 5 Improved Fendering and Ro-ro Upgrade
Total Score		50.0	53.1	49.1	60.0	57.4	56.7
Weighted Score		5.4	4.6	4.4	5.3	5.2	5.1
Rank		1	5	6	2	3	4
Comment		Due to Capital Cost this option ranks the highest. Its noted scores poorly across criteria but improves on weighted score.	Similar to Option 2 performs poorly due to Capital Cost	Least preferred option	Preferred infrastructure upgrade option combined with least cost. The actual berth benefit needs to be considered for this option to ensure operational benefits are realised as well as review of operational and environmental impacts for the proposal	Scores high on the criteria but due to Capex versus Option 5 weighted score provides for a higher ranking	Option considers investment on existing assets for operational improvements.

Detailed scoring is presented in Appendix B.

10. Recommendations

A comprehensive review of King Island Grassy Port stakeholders, stakeholder feedback, historical studies, port infrastructure and options for improved operational and infrastructure for Grassy Port was undertaken.

A separate stakeholder report is provided including executive summary on key themes and issues.

As outlined within the report the trade forecasts for King Island need to be more accurately considered for development of demand, confirmation of most suitable ship and review of economic drivers for investment.

The following recommendations are proposed to guide future investment and operational improvements at Grassy Port:

10.1 Governance and Collaboration

- **Establish a King Island Shipping Alliance:**

- Facilitate a strategic partnership among TasPorts, shipping operators, and key King Island stakeholders to coordinate schedules, share assets, and optimize freight handling (including forward demands). This cooperative model can reduce costs, improve service reliability, and strengthen market influence.

- **Revisit Freight Forecasting and Service Modelling:**

- Commission an updated freight and shipping study to reflect current demand trends, seasonal variability, and emerging market opportunities. This should inform future infrastructure planning and service procurement.
- This should also seek to identify and encourage mainland connection for a triangulated service between Tasmania and Victoria to King Island (key stakeholder theme and previous recommendation on all historical King Island Shipping and port studies).

- **Maintain Transparent Engagement with Stakeholders:**

- Continue regular consultation with community, industry, and service providers to ensure infrastructure and operational decisions remain responsive to evolving needs and constraints.

10.2 Strategic Infrastructure Investment

- **Prioritise incremental upgrades over major capital works:**

- The grassy Port has relatively low berth utilisation and freight volumes such that large scale investment and maintenance cannot be easily funded through port operations.
- The current shipping service with 3 operators is providing a broad range of options for freight movement however recognized limitations still exist in meeting seasonal freight demands (livestock and fertilizer) as well as increased reliance on imports and exports for mining activities on King Island (including growth).
- Options for inner berth infrastructure increases and operational improvements have been identified needing further design and modelling to understand incremental benefit on port operations.
- Collaboration with Group 6 metals on rock source (quantity and size) availability for breakwater construction options.

- Review recommended infrastructure options shipping study (above) and individual business case.

10.3 Operational

- **Implement real time surge forecasting with monitoring:**
 - Install outer harbour ADCP for wave and current measurement to correlate offshore conditions with TasPorts internal harbour and berth ADCP to support proactive operational planning and enhance navigational safety.
 - Develop predictive model integrating wind, wave and surge data to support dynamic berth access decision making and support operational controls.
- **Review port operational limits:**
 - In combination with increased monitoring and infrastructure upgrades for port review limits on port operating hours to allow for broader flexibility on port access and utilisation.
- **Upgrade ro-ro ramp and fendering infrastructure:**
 - As infrastructure improvement and highlighted as future investment of TasPorts bringing forward upgrades on fendering, mooring and ramp infrastructure will see a benefit on berth efficiency for a broader range of vessels. Similarly to above recommendations this should be undertaken in context of shipping and freight review to ensure infrastructure meets the future demands.

Appendix A – Concept Sketches



OPTION 1 - GENERAL ARRANGEMENT
SANDBLOW POINT BREAKWATER & NEW WHARF
 1:10000 (A3)

PRELIMINARY
 NOT FOR CONSTRUCTION

Rev No	Revision note	Date	Checked	Approved
A	FOR CLIENT REVIEW	12/06/25	JB	JB



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Drawn By:	R.PARKER	Date:	10/06/25
Designed By:	J.BURBURY	Date:	10/06/25
Checked By:		Date:	
Approved By:		Date:	

Client:	DEPARTMENT OF STATE GROWTH
Project:	GRASSY PORT INFRASTRUCTURE REVIEW
Title:	OPTION 1 - SOUTHERN BREAKWATER GENERAL ARRANGEMENT
Scale:	1:10000
A1	Drawing No. 1973 - SK02
Rev	A



OPTION 2- NEW WHARF & RO-RO GENERAL ARRANGEMENT
1:4000 (A3)

OPTION 2 - GENERAL ARRANGEMENT
NORTHERN PORT & EASTERN BREAKWATER (ALL WEATHER)
1:10000 (A3)

PRELIMINARY
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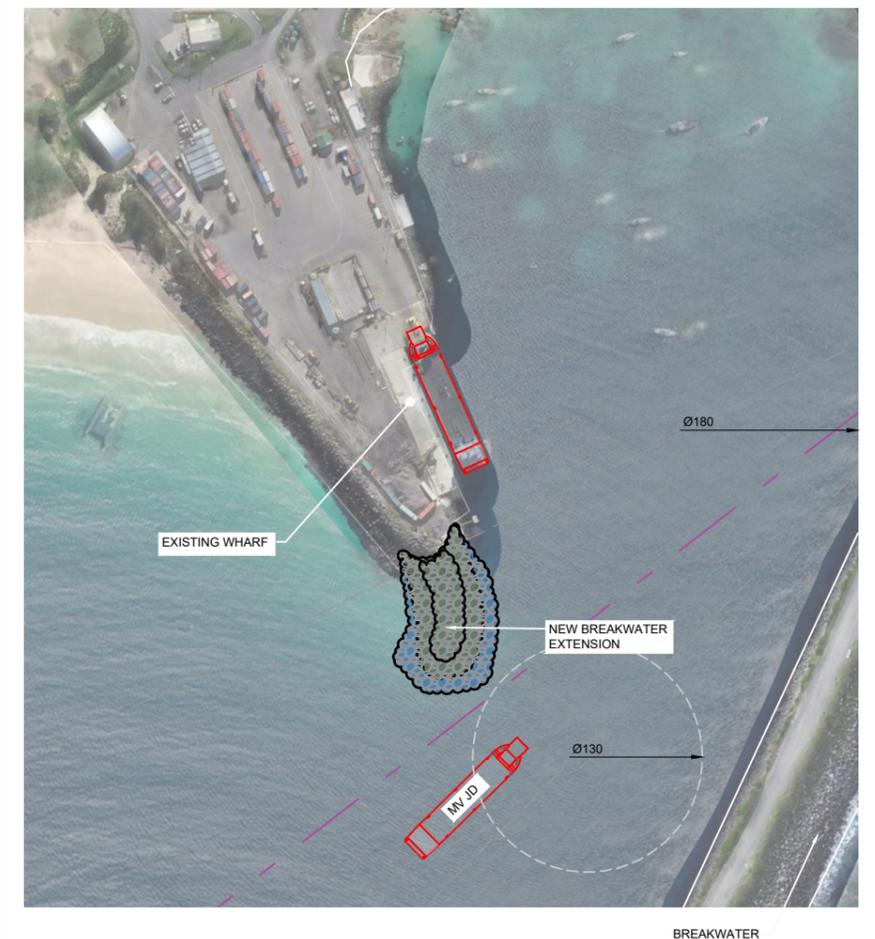
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Checked By:	Date:	Title: OPTION 2 - NEW PORT & EASTERN BREAKWATER GENERAL ARRANGEMENT
Approved By:	Date:	Scale: 1:10000
A1		Drawing No: 1973 - SK03
		Rev: A



**OPTION 3 - GENERAL ARRANGEMENT
BREAKWATER EXTENSIONS**
1:10000 (A3)



OPTION 3 - Ex BERTH GENERAL ARRANGEMENT
1:4000 (A3)

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Drawn By: R.PARKER	Date: 10/06/25	Client: DEPARTMENT OF STATE GROWTH
Designed By: J.BURBURY	Date: 10/06/25	Project: GRASSY PORT INFRASTRUCTURE REVIEW
Checked By:	Date:	Title: OPTION 3 - BREAKWATER EXTENSIONS GENERAL ARRANGEMENT
Approved By:	Date:	Scale: 1:10000
A1		Drawing No: 1973 - SK04
		Rev: A



OPTION 4 - NEW BERTH GENERAL ARRANGEMENT
1:4000 (A3)

PRELIMINARY
NOT FOR CONSTRUCTION

Rev No	Revision note	Date	Checked	Approved
A	FOR CLIENT REVIEW	12/06/25	JB	JB


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Drawn By: R.PARKER	Date: 10/06/25	Client: DEPARTMENT OF STATE GROWTH
Designed By: J.BURBURY	Date: 10/06/25	Project: GRASSY PORT INFRASTRUCTURE REVIEW
Checked By:	Date:	Title: OPTION 4 - NEW INNER BERTH & GROUYNE GENERAL ARRANGEMENT
Approved By:	Date:	Scale: 1:10000
		A1 Drawing No: 1973 - SK05
		Rev: A

Appendix B – MCA

Concept Design: Preliminary Options Analysis

Project Title:	Grassy Port Review
Project No.:	1973
Compiled By:	James Burbury
Date:	1/07/2025
Revision:	8

Criteria	Weight	Do Nothing Business As Usual + Wave Instruments & Reviews	Option 1 Southern Breakwater	Option 2 Eastern Breakwater & Port	Option 3 Extend Existing Breakwaters	Option 4 New Inner Berth	Option 5 Improved Fendering and Ro-ro Upgrades	Comment	
1	Capital Cost	19%	Description						
			\$800,000	\$140,000,000	\$110,000,000	\$7,700,000	\$20,000,000	\$12,000,000	
			10.0	0.1	0.1	1.0	0.4	0.7	
2	Ongoing Operational Cost	8%	No significant change from current practices.	Increased asset will require more greater investment to maintain but improved access for shipping and frequency	Enhanced facilities will require greater investment by TasPorts to maintain (second port) and still exposure from SW and NE.	Enhanced facilities will require greater investment by TasPorts to maintain but in same area as existing assets.	Enhanced facilities will require greater investment by TasPorts to maintain but in same area as existing assets. New berth will offset future maintenance for existing	Enhanced facilities will require greater investment by TasPorts to maintain but should be offset by increased lease costs	Consider design life of assets, required maintenance for structures based on existing condition
			Score						
			8.0	5.0	4.0	6.0	7.0	7.0	
3	Return on Investment	15%	No change from current ROI	Expectation is that ROI will be minimal unless the costs of funding the upgrades can be secured from Federal and State funding	Expectation is that ROI will be minimal unless the costs of funding the upgrades can be secured from Federal and State funding	Expectation is that ROI will be minimal unless the costs of funding the upgrades can be passed on to new shipping operators.	Expectation is that ROI will be minimal unless the costs of funding the upgrades can be passed on to new shipping operators.	Expectation is that ROI will be minimal unless the costs of funding the upgrades can be included in lease costs or funding brought forwards by TasPorts.	Combination of the revenue likely to be generated from the option together with the capital cost of the option
			Score						
			5.0	2.0	2.0	5.0	5.0	5.0	
4	Commercial Benefit	11%	No change, minor wave data benefit.	Improved commercial benefit for longer term commitments for island business/industry and shipping continuity.	Improved commercial benefit for longer term commitments for island business/industry and shipping continuity.	Minor benefit to existing.	Improved commercial benefit for longer term commitments for island business/industry and shipping continuity.	No change.	The opportunity that the option gives TasPorts in context of commercial negotiations with customers or other commercial opportunities
			Score						
			2.0	7.0	8.0	4.0	7.0	2.0	
5	Community Benefit	6%	No change for local community	Broader community support likely	Improved safe harbour may lead to community support but likely less than Option 1 given relocation of port.	Improved breakwater infrastructure fits with community support, utilising existing rock source and minor port improvement	Likely to have broad community support for improved conditions but loses fishermen's berth.	No major change to port conditions as essentially asset replacement brought forward.	Community engagement and improvement through facilities and/or shipping benefits
			Score						
			0.0	8.0	6.0	8.0	6.0	6.0	
6	Operational Improvement	10%	No significant change, minor improvement with data.	Provides significant improvement for operations at berth with improved surge for greater operational periods. No change to existing wharf and ro-ro.	Provides for improvement in SW surge due to orientation. New berth can increase tidal access and berth facilities.	Provides improvement for surge to increase operational period. No change on existing berth.	Second berth will be more protected in surge for greater period. Existing berth will be worse due to groyne. Greater tidal operational improvement.	No change to operations in surge. Better tidal access and berthing and mooring conditions.	The ability for the option to be implemented and the operational impact it may have on customers and TasPorts both during and after construction
			Score						
			5.0	8.0	8.0	6.0	8.0	6.0	
7	Shipping and Navigational Safety	9%	No change from current practices	Enclosure of the port expected to improve marine operations within port during heavy weather events. Still exposed to SW on outside of entrance.	Major change to shipping with easterly approach beam on to SW weather.	Slight adjustment to shipping and navigation into port with extended breakwater.	No significant impact to navigation within the port when compared to current configuration. Some minor improvement in wave climate expected at second berth	No significant impact to navigation within the port when compared to current configuration	What the option changes with regard to shipping and navigational safety to the berths and within the port generally
			Score						
			2.0	9.0	6.0	7.0	8.0	8.0	
8	Environmental Risk	11%	No change from current practices	Reclaim and disturbance of the seabed expected. Portion of reclaim will be outside existing footprint of port lease area. Highest environmental risk due to proximity of port boundary and existing reef	Reclaim and disturbance of the seabed expected. Portion of reclaim will be outside existing footprint of port lease area. Highest environmental risk due to proximity of port boundary and existing reef	Minimal change from current practices and within existing port boundaries.	Minimal change from current practices and within existing port boundaries. Reclaim, dredging will increase risk for approvals.	Minimal change from current practices and within existing port boundaries.	The risk of potential delays to the project (due to approvals) due to the extent of works or the type of works required by each option
			Score						
			8.0	4.0	4.0	9.0	5.0	10.0	
9	Constructability Risk/Resources	4%	No change.	Significant quantity or large rock required as well as new construction roads. Limit on available large rock from mine and extent subject to mine waste rock. No plant on island to deliver.	Significant quantity or large rock required as well as new construction roads. Limit on available large rock from mine and extent subject to mine waste rock. No plant on island to deliver.	Small quantity of rock, likely available as well as plant for scale of build.	Small quantity of rock, likely available as well as plant for scale of build. Limited dredging capabilities.	Works would need to consider infrastructure upgrades to existing assets and management of shipping during works. Import of materials to island.	What risks are present in terms of the risk of being able to deliver the option within the required timeframe or budget expectations, island capabilities, resources available, etc.
			Score						
			10.0	3.0	3.0	8.0	5.0	6.0	
10	Economic Benefit	8%	No change to current economic benefit	Economic benefit to be established but expectation is that improved port and shipping	Economic benefit to be established but expectation is that larger laydown will provide more throughput and may provide opportunity for increase in vessel	Economic benefit to be established but expectation is that minor	Economic benefit to be established but expectation is that minor	Economic benefit to be established but expectation is that minor	How the option supports and economic benefit
			Score						
			0.0	7.0	8.0	6.0	6.0	6.0	
Total Score			50.0	53.1	49.1	60.0	57.4	55.7	
Weighted Score			5.4	4.6	4.4	5.3	5.2	5.1	
Rank			1	5	6	2	3	4	



HERBERT SMITH
FREEHILLS
KRAMER

Tabled 24/11/25
TT-Line Chair

Martin Thompson
Auditor-General
Tasmanian Audit Office
Level 2, 144 Macquarie Street
Hobart, TAS 7000

24 November 2025
Matter 82801230
By Email

Dear Mr Thompson

TT-Line Company Pty. Ltd. - Auditor-General's report on the financial statements of State entities (Volume 2)

We act for TT-Line Company Pty. Ltd. (TT-Line).

We refer to:

- Volume 2 of the Auditor-General's report on the financial statements of State entities dated 10 November 2025 (**Report**); and
- your appearance at the Tasmanian Legislative Council Estimates Committee A on Monday, 17 November 2025 (**Estimates Committee**).

In the Report, you expressed the opinion that TT-Line was likely to be able to meet its debts as and when they fall due for the forthcoming 12 month period to August 2026, but that you had reasonable grounds to suspect it would not be able to meet its longer term debts that fall due after this time. On this basis, you opined that TT-Line was insolvent as at 19 August 2025. Subsequently, during your attendance at the Estimates Committee, you said that you formally formed the view that TT-Line was insolvent on 11 July 2025.¹

For the reasons set out in this letter, we consider these opinions expressed in the Report and at the Estimates Committee to be incorrect.

Treatment of long-term debt

On pages 47-48 of the Report you made the following statements:

'During the conduct of my audit, I formed the opinion that TT-Line, was likely to be able to meet its debts as and when they fall due, across the relevant period to August 2026. Concurrently, I developed reasonable grounds to suspect that the company would not be able to meet its longer-term debts that fall due after the relevant period. I issued my audit report on the financial statements of TT-Line on 19 August 2025, at that date it was my opinion that TT-Line was insolvent, in that it had incurred debt that it did not have the ability to repay. My audit responsibilities are to form an opinion on the financial statements, not maintain ongoing oversight, as such this matter will be reviewed again when conducting our audit activities in relation to the 2025-26 financial reporting period.'

First, it is well established that the period of 12 months forward from the "snapshot date" is generally the appropriate period of assessment of a company's ability to pay debt as and when it becomes due and payable, and therefore the usual period to be applied when assessing its solvency.² That legal principle, correctly applied, ought to have led

¹ Parliament of Tasmania, Legislative Council Estimates Committee A Transcript, 17 November 2025, page 107.

² *The Bell Group Ltd (in liq) v Westpac Banking Corp (No 9)* (2008) 39 WAR 1.



you to a conclusion of solvency as at mid-August 2025. Rather, you were led into error by elevating uncertainty as to the company's ability to pay debts maturing after that 12-month period, as being tantamount to a seemingly known inability to do so as existing as at mid-August 2025. In effect, the statements you make in the Report are a prediction of the prospect of inability to pay a future debt when it becomes payable rather than a soundly based application of the relevant principles when assessing solvency in the relevant period.

Secondly, your conclusions as to solvency in the Report fail to account for the approach to be taken to long-term debts when assessing solvency in *Anchorage Capital Master Offshore Ltd v Sparkes* [2023] NSWCA 88 (*Anchorage*).

In *Anchorage*, the New South Wales Court of Appeal endorsed the principle of differing degrees of certainty for short-term debts as compared to long-term debts when assessing solvency. Specifically, a distinction is drawn between 'present insolvency' and 'prediction of the prospect of inability to pay a future debt when it becomes payable', with the correct question being whether 'at the date of alleged insolvency, it can be said that the company is already in a state of inability to pay those debts when they fall due'.³ It was held that, generally speaking, the longer the period to elapse before a debt becomes due, and the greater the potential for intervening events to impact the company's ability to pay it, the less sound a basis it will provide for a conclusion of present insolvency.⁴

Anchorage makes clear that, before drawing a conclusion of insolvency based on long-term liabilities, a high degree of assuredness or probability that the company would be unable to repay them when they fall due is required. The judgment has the practical effect of diminishing the relevance of long-term future debt in assessing the solvency of financially challenged companies.

The Court of Appeal's approach in *Anchorage*⁵ to the treatment of long-term debt when assessing solvency has been followed in several cases⁶ and no court has questioned the correctness of its approach to that issue.

Considering the principles emerging from the *Anchorage* decision, your conclusions that TT Line was insolvent as at 11 July 2025 and 19 August 2025 are misconceived given that:

- the relevant period for the Report is the 12 months to August 2026 (**Relevant Period**);
- you formed the opinion as expressed on page 47 of the Report that TT-Line was likely to be able to meet its debts as and when they fall due across the Relevant Period, which satisfies the cash flow test for solvency,⁷ which ought to have led you to a conclusion that the company was solvent;
- as stated on page 48 of the Report, your audit responsibilities are to form an opinion on the financial statements, not to maintain ongoing oversight, and as such you will review TT-Line's financial statements again in the 2025-6 financial reporting period;

³ *Anchorage*, [245].

⁴ *Anchorage*, [246].

⁵ We note that the High Court refused an application for special leave to appeal the NSW Court of Appeal's decision in *Anchorage*.

⁶ See *Re IOUpay Ltd ACN 091 192 871 (Admins Apptd)* [2023] NSWSC 568; *Re Keybridge Capital Ltd (No 2)* [2025] NSWSC 354.

⁷ *Corporations Act 2001 (Cth)* s 95A; *Wild K9 Pty Ltd (in liq) v Thompson* [2025] VSC 178, [75] citing *Crema Pty Ltd v Land Mark Property Developments Pty Ltd* (2006) 58 ACSR 631, 651-2.



- TT-Line is currently working with its specialist advisers to develop and implement strategies targeting financial sustainability, including having obtained an increase of \$410 million to its borrowing limit (the obligation to repay which is guaranteed by the Tasmanian Government) and an equity contribution of \$74.5 million from the Tasmanian Government. In addition, members of the Tasmanian government have provided assurances of the government's support of TT-Line's ability to continue to pay its long-term debts; this includes the Treasurer, who said at the Estimates Committee that '*no government irrespective of its hue would allow [TT-Line] to fail*'.⁸ There are multiple strands to the plans being developed, which address the need for more capital, debt extension, asset realisation and operational improvement. The measures are being proactively advanced, with an intended path of being able to restructure the company and put it on a sustainable operational foundation; and
- these strategies will inform your review of TT-Line's financial statements in August next year in respect of your audit of the 2025-6 reporting period, which is the period after which part of TT-Line's long-term debt is currently scheduled to begin to fall due.

Consideration of all the circumstances

In addition to the wrong treatment of long-term debt when assessing the company's solvency, your opinions expressed in the Report and at the Estimates Committee do not take into account all circumstances relevant to an assessment of solvency.

Specifically, whether a company is insolvent is a question of fact taking into account the company's financial position as a whole, which includes consideration of 'commercial realities' such as the nature of the company's assets and liabilities, cash, the money it could realise by sale or on security of its assets and the ability to obtain financial assistance.⁹

Statements you made during the Estimates Committee indicate that you have not taken opportunities to inform yourself as to TT-Line's financial position as a whole, including:

- your statement that you identified 'financial viability challenges' in January 2025. We are instructed that to the current board and senior management's knowledge, your suggested concerns were not communicated to anyone within TT-Line management or the board;¹⁰
- your statement that you met with TT-Line management on 28 May 2025 to discuss 'significant concerns' about the viability of TT-Line's corporate plan. We are instructed this conference was in fact a meet-and-greet with the new CEO (which he initiated) at which, when the CEO offered you an opportunity to raise any concerns as to TT-Line's financial position prior to year-end, no concerns were raised by you;¹¹ and
- your opinion that you are not aware of anything occurring that has made or will make TT-Line solvent again. We are instructed that since completion of your audit on 19 August, you would simply not know what initiatives have been pursued by the company since that time to restructure its financial position. This is unsurprising given that your audit role does not require you to monitor the

⁸ Parliament of Tasmania, Legislative Council Estimates Committee A Transcript, 17 November 2025, page 27.

⁹ *Bentley Smythe Pty Ltd v Anton Fabrications (NSW) Pty Ltd* (2011) 248 FLR 384, [47], citing *Southern Cross Interiors Pty Ltd (in liq) v DCT* (2001) 53 NSWLR 213, [224]-[225]; *Bell Group Ltd (in liq) v Westpac Banking Corporation (No 9)* (2008) 70 ACSR 1, [1087]-[1090].

¹⁰ Parliament of Tasmania, Legislative Council Estimates Committee A Transcript, 17 November 2025, page 106.

¹¹ *Ibid*, page 107.



company during the Relevant Period. However, to reference your comments in the present tense when you are not privy to what the company is currently doing, is simply misconceived.¹²

For the reasons set out above, we consider that your assessment of TT-Line's solvency is misconceived in suggesting that TT-Line was insolvent as at 11 July 2025, 19 August 2025 or is presently so. Whilst being respectful of your role and responsibilities, the commentary you are making about the company is causing real harm to the company and its stakeholders, being its shareholders, employees, suppliers, and customers.

Yours sincerely

Alan Mitchell
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Herbert Smith Freehills Kramer LLP and its affiliated and subsidiary businesses and firms, Herbert Smith Freehills Kramer (US) LLP and its affiliate, and Herbert Smith Freehills Kramer, an Australian Partnership, are separate member firms of the international legal practice known as Herbert Smith Freehills Kramer. We practise in Australia through Herbert Smith Freehills Kramer, an Australian Partnership (ABN 98 773 882 646).

¹² Ibid, page 108.

Minister for Tourism, Hospitality and Events
Minister for Racing
Minister for Women, and the Prevention of Family Violence

Level 5, 4 Salamanca Place HOBART TAS 7000 Australia
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17 DEC 2025

Ms Fiona Murphy
Secretary
HoA Government Business Scrutiny Committee
Email: Fiona.murphy@parliament.tas.gov.au

Dear Ms Murphy

In response to your request for additional information following the Government Business Scrutiny Committee on Wednesday 26 November, please see below:

TasRacing:

- 1. What was the reason for the euthanasia of the 46 thoroughbred horses in the financial year 24/25? What is the reason for the substantial increase (50%) since the previous year?**

FY25

Row Labels	Euthanasia	Euthanised by a vet	Sent live to an abattoir/knackery	Grand Total
Catastrophic limb injury	3	7		10
Condition/Illness/Disease	2	8		10
Cranial/vertebral injury	1	1		2
Injury (other)	6	2		8
Other	3			3
Unsuitable for rehoming (behaviour/temperament)	1	4	2	7
Unsuitable for rehoming (soundness/injury)	1	1	4	6
Grand Total	17	23	6	46

FY24

Row Labels	Euthanasia	Euthanised by a vet	Sent live to an abattoir/knackery	Grand Total
Catastrophic limb injury	2	4		6
Condition/Illness/Disease		2		2
Illness	2		1	3
Injury	7			7
Injury (other)	2		2	4
Other (input into comments box)	2			2
Unsuitable for rehoming (behaviour/temperament)	1		1	2
Unsuitable for rehoming (soundness/injury)	2			2
Grand Total	18	6	3	28

2. Of the 1037 dogs in the greyhound racing industry, please provide the breakdown by number and name of dog, for each trainer.

As at 24 September 2025 – see attached list

Note that the information provided was from the Greyhound Audit data and is not by location, rather owner or trainer status

3. How many dogs incurred ‘serious injuries’ and/or died, or were euthanased while racing at the track in 2024/25? Please provide this info by:

- a. dog name;
- b. injury type and / or cause of death; and
- c. by date

Dog name	Injury type / cause of death	Date deceased
Wilann’s Way	Post race fall. - cranial spine injury/fracture; severe spinal injury, grave prognosis	21/10/2024
Quiet Lakes	Fractured left femur and left elbow; severe, multi-limb fractures, on-track vet advice: euthanasia	01/05/2025

4. Please provide the Committee with the financial modelling that has been done in relation to the net impact of greyhound, harness, and thoroughbred racing or TasRacing's net financial result.

Code by Code Result for FY24

Overview of result for the year to date to June 2024

	Greyhound	Harness	Thoroughbred	General	Total	Comment
Income						
Income From Government	0	30 000	300 000	1 46 927	465 927	Breeding Grants allocated FY24/25. Detail shown below the line
Point of Consumption Tax Funding	1 122 462	1 390 603	2 233 402	1 700 000	7 049 518	Detail shown below the line. To cover all costs and \$0.7m to animal welfare with balance to States
Interest Revenue	0	0	0	1 308 213	1 308 213	Interest earned on current government funding - result consider's outcome
Domestic Racefield Fees	7 826 672	2 116 087	9 584 928	0	10 427 637	
International Racefield Fees	232 648	128 059	512 274	0	802 981	
Racing Income	17 053	147 208	1 464 168	0	1 628 555	
Sponsorship Income	277 132	117 212	381 367	400 480	1 183 171	Remainder is unallocated OVB & Lottomax sponsorship
Other Income	34 263	63 400	117 277	239 731	464 791	General includes insurance claims and reimbursements
Total Income	5,531,268	5,012,988	15,495,517	3,801,331	33,521,096	
Expenditure						
Labour	1 478 124	982 287	2 276 419	4 238 889	8 995 719	Directly allocated racing code employee and estimate track staff costs only
HR Support	0	0	0	200 944	200 944	
Industry Training	0	0	0	152 387	152 387	Involvement in accreditation and training costs
Board Expenses	0	0	0	273 824	273 824	Some identifiable costs have been allocated to codes, other racing related marketing activity
Marketing	253 309	257 439	728 617	687 295	1,933,660	Some not allocated further
Promotion	0 800	0	45 225	8 653	64 719	Website costs are included for Harness
Concessions and Ticket	298 122	474 800	481 574	0	1,264 796	
Administration	0	0	0	1 012 616	1 012 616	Includes legal fees, consultants, audit fees, corporate communications, PR, entertainment
Travel & Accommodation	25 909	30 585	44 263	229 127	329 234	
Income Tax	0	0	0	483 936	483 936	
Franchise Charges	0	0	236 534	55 588	312 122	Allocated interest & guarantee fees to the provision for 50m Swanston loan
Depreciation & Amortisation	725 660	907 237	2 827 795	1 034 643	5,503 399	Amount in general to be further investigated - currently costs are used as they should
Costs Funding	7 398 089	9 912 234	19 992 232	0	37,302 555	compliance officers and track equipment plus maintenance of RVM Track project
Animal Welfare Code Funds	549 216	26 552	199 670	0	775 438	
Other Racing Expenditure	290 392	267 692	1 782 412	0	2,289 506	
Club Funding	131 718	815 822	398 917	0	1,346 457	
Race Day Costs	356 224	421 323	1 546 376	0	2,323 924	
Insurance	0	0	0	1 526 874	1 526 874	Includes website insurance coverage - not able to accurately allocate to a specific code
Corporate Plan & Major Project Costs	0	0	0	221 822	221 822	General includes website initiatives - could be split with further investigation
Digital & IT	178 069	178 489	201 359	399 075	1,158 711	Website operations split 1/3rd
Assets and Facilities	1 254 801	1 218 711	2 564 811	239 837	4,764 210	
Total Expenditure	12,957,458	13,680,811	32,234,951	9,996,897	70,999,928	
Pre Funding Debt Operating Surplus / (Deficit)	(3,336,180)	(10,467,643)	(17,638,914)	(6,115,160)	(36,977,933)	
Funding Debt					35,770,928	
Reported Profit (Loss)					(1,197,005)	



5. How many dogs who incurred injuries at the track, but who were not euthanised on the track, were euthanised over the next month as a result of their injury, listed by:

- name;
- the injury;
- the date of injury; and
- the date euthanised.

Dog name	Injury type / cause of death	Meeting Date	Date euthanised
Dewana Dream	Due to track injury – right hock fracture, euthanised in VIC	25/11/2024	03/12/2024
Gemma's Right	Initial surgery by surgical specialist unsuccessful, resulting in increased comminution of right calcaneal fracture that is now a grade I-II open fracture; euthanised as unable to have follow up surgery in timely manner due to specialist availability	19/11/2024	26/11/2024
Wynburn Maximum	fractured right humerus	11/7/2024	12/07/2024

Perfect Shadows	Due to track injury – luxation/fracture of right hock, admitted to emergency vets for further assessment and treatment, orthopaedic surgeon appointment was not available in suitable time frame and the dog had an extremely poor response to multimodal analgesic regimen; euthanasia authorised on welfare grounds	23/01/2025	25/01/2025
Aston Hematite	Disarticulated right hock, euthanased in VIC	05/12/24	10/12/24

And how many of the injured dogs have returned to racing?

35 injuries – Cat F – (this includes the 2 on track deaths) – 3 dogs returned to racing, one of which is now retired.

Dog Name	The Injury	Date of Injury
Cadia Gold	Fracture to right Wrist	20/1/25, current status: active
Darryl's Choice	Fracture Left Hind Metatarsal	06/02/25, current status: active
Buckle Up Wilton	Fracture to left hock	20/02/25, returned to racing, now retired

6. How many dogs incurred injuries and/or died/were euthanised, while training or trialling? Please provide by:

- a. name;**
- b. injury and/or cause of death; and**
- c. date.**

Dog name	Injury type / cause of death	Date deceased
Fully Fledged	Trialling injury – complete dislocation & tarsus, fracture & fibula, complete ligament rupture around tarsus	18/07/2024
Alien Force	Collapsed after trial	5/12/2024
Mr. Bad Guy	Trial injury – possible cranial injury	10/03/2025
Unnamed (TMAFI)	Open (compound) fracture (training)	22/01/2025

7. Page 58 of the Annual Report states that TasRacing received almost \$1.5 million in sponsorship income. How much relates to greyhound racing?

Tasracing's contract with Entain Australia & NZ P/L is a state-wide principal partnership via the Ladbrokes brand. It primarily relates to naming rights of the Ladbrokes Tasmanian Summer Racing Festival and signage assets at Tasmanian racing venues, rather than being Code-specific. The contract is commercial in confidence and Tasracing is therefore not in a position to share further information of the nature requested.

8. The Annual Report states that TasRacing received more than \$2.1 million in other racing income:

a. does that include vision and broadcasting rights?

Yes. Fees from International customers are in Race field Revenue with other Digital Revenue in Other Racing Income (\$74k in FY25)

b. can you outline what else it covers? and;

Racing and Training Fees	\$425k
Insurance recoveries from Clubs and Participants	\$1.16m
Tab Commissions and Digital	\$172k
Magic Millions	\$125k
Other items	\$289k

c. how will this income be affected by the greyhound racing ban?

\$67k of Other Income was specifically related to the Greyhound code in FY25

Yours sincerely



Hon Jane Howlett MP
Minister for Racing

As at 24 September 2025	Count
107405 (Group - Mr Greg Sprod)	2
Dangerous Motion	1
Relevance	1
115422 (Group - Mr Michael Collis)	1
When Skye	1
117262 (Group - Mr Anthony Watson)	1
Maseratti Duck	1
158846 (Group - Mr Alan Green)	9
Littered (unnamed)	1
Browsing About	1
Cassie	1
Gentle Flash	1
Leica Warrior	1
My Name's Joe	1
Ozzi Oscar	1
Sally's Nemo	1
Whiskey Woman	1
162136 (Group - Mr Michael Johnson)	1
Spring Gully Mia	1
163445 (Group - Mr Stephen Gillbee)	8
Littered (unnamed)	8
164440 (Group - Mr Brian Geard)	4
Dancing Barefoot	1
Hey Lulu	1
Smokestack Sally	1
Tin Can Alley	1
164656 (Group - Miss Natasha Croft)	1
Finloch Survivor	1
165410 (Group - Ms Lynne Dove)	2
Fly High Ekka	1
Frankie May	1
165900 (Group - Mr Allan Clark)	8
Darling Danger	1
Hot Danger	1
Nuclear Danger	1
Rupee Rebel	1
Simply Danger	1
Slick Steel	1
Teddy Danger	1
Unlikely Danger	1
166944 (Group - Mr Alan Green)	1
Vivid Vixen	1
167237 (Group - Mr Adam Howlett)	1
Myall Clyde	1
167872 (Group - Mr Tony Rogers)	2
Black Mouse	1
Little Remi	1
Belinda J Middlewood	1
Egomaniacal	1

Bridwood (Syndicate - Mr Barrie Morse)	1
Bridwood Carter	1
Cothion (Syndicate - Mrs Elizabeth Breukink)	1
Zinnia	1
Defa (Syndicate - Mr Shaun Wilson)	1
She's Something	1
Eighteen Two (Syndicate - Mr David Davies)	1
Outlaw Teddy	1
Esplanade (Syndicate - Mr Murray Johnson)	3
Littered (unnamed)	2
Black Spitfire	1
Fluffy Duck (Syndicate - Mr Braden Finn)	1
Littered (unnamed)	1
Harold Milner	1
Dela Porter	1
Kane It (Syndicate - Mr Roger Bloomfield)	1
Littered (unnamed)	1
Karen Cairnduff	1
Littered (unnamed)	1
Marsha-Lee Black	1
Tommy The Jett	1
Miss Adele Powell	1
Littered (unnamed)	1
Miss Carissa Fahey	5
Ashlee My Girl	1
Aston Western	1
Cadia Gold	1
Golden Chopstick	1
Make It Pop	1
Miss Chelsi Gale	17
Littered (unnamed)	10
Crikey Danger	1
Hawk Danger	1
Lala Hibiscus	1
Legal Danger	1
Legendary Danger	1
Raptor Danger	1
Thor Danger	1
Miss Claire Robins	3
Dreamy Dawn	1
Launch It	1
Wellington Chaos	1
Miss Hannah Pearce	7
Slower Than Pop	1
Wellington Beast	1
Wellington Blaze	1
Wellington Deals	1
Wellington Red	1
Wellington Roses	1
Wellington Salix	1

Miss Natasha Croft	2
Interrogation	1
Why Sparky	1
Miss Sherilyn Archer	7
Behind Bars	1
Cosmic Backfire	1
Daisy's Pride	1
Ignition Off	1
Sherry Cask	1
White Banjo	1
Wind Blown	1
Miss Tonie Czerkiewicz	16
Aussie Pablo	1
Black Lashes	1
Blackpool Aries	1
Blackpool Darren	1
Blackpool Fly	1
Blackpool Winnie	1
Bluenose Best	1
Close Call	1
Firmly Fixed	1
Isa Infrared	1
Ken Masters	1
Little Zoom	1
Silent Keiko	1
Staunch	1
Trademark Mini	1
Tricked It	1
Mr Adam Collis	8
Franky Ferrari	1
Getting It Done	1
Indecisive Pole	1
Vintage Dot	1
Vintage Duchess	1
Raging Rambo	1
Sure Danger	1
Sea Sick	1
Mr Allan Clark	19
Avant Danger	1
Black Danger	1
Blitz Danger	1
Cayman Danger	1
Coco Danger	1
Cruiser Danger	1
Curly Danger	1
Diva Danger	1
Fred Danger	1
Paris Danger	1
Posh Amber	1
Rogue Danger	1

Sassy Danger	1
Scooby Danger	1
Shaggy Danger	1
Solo Danger	1
Stranger Danger	1
Velma Danger	1
Zalaya	1
Mr Andrew Gannell	1
<hr/>	
Littered (unnamed)	1
Mr Anthony Bullock	61
<hr/>	
Agent Rahm	1
Ayla Zorro	1
Barry's Baby	1
Big Hudson	1
Big Texan	1
Billie Benson	1
Bonta	1
Burnt Desires	1
Buzzard Zorro	1
Canya Breakout	1
City Law	1
Curly's Crusade	1
Currajong King	1
Daphne Danger	1
Darryl's Choice	1
Dewana Gem	1
Fearsome Flirt	1
Fine Aussie	1
Fossil Bluff	1
Frankie Jo James	1
Frosty Lad	1
Get Noticed	1
Hat Trick Hannah	1
Highgate Jessie	1
Highgate Sniper	1
Highgate Stephan	1
Hyper Force	1
Joyful Juggler	1
Kiki's Dancer	1
King Fencer	1
Lacy Longstrider	1
Law Abiding	1
Lipstick Lacy	1
Loch And Loaded	1
Maserati Danger	1
Mercedes Danger	1
Miss Chirpy	1
Missouri Magic	1
Morrison's Van	1
Night Rod	1

Pressing Matters	1
Proper Law	1
Queen's Law	1
Rosies Return	1
Rusty Ploughman	1
Set Alight	1
Set The Tone	1
Spoken Law	1
Spotted Law	1
Stardust Lad	1
Sydney Danger	1
Tah Candy	1
Tah Frankie	1
Tah Joe	1
Tah Josh	1
Tah Steve	1
Tah Tom	1
Throw Hands	1
Wendigo	1
Wizin Woodhouse	1
Your Law	1
Mr Arnold Elphinstone	3
Ormonde	1
Our Ellie	1
Vintage King	1
Mr Barry Heawood	8
Littered (unnamed)	5
Goodnight Vicki	1
Sprint Gordon	1
Stari Grad	1
Mr Barry Smith	6
Assassinate	1
Bomber Bill	1
Facade	1
Magic Lizzie	1
Screaming Sprite	1
Summer Owl	1
Mr Ben Englund	4
Wynburn Blizzard	1
Wynburn Blondie	1
Wynburn Polly	1
Wynburn Sonny	1
Mr Brett Smith	2
Dulcie's Guise	1
Dulcie's Joy	1
Mr Brian Crawford	6
Blackwood Echo	1
Blackwood Johnny	1
Blackwood Polly	1
News Flash	1

Sharon's Scooter	1
Silver Tiers	1
Mr Butch Deverell	2
Littered (unnamed)	1
Chasing Lady	1
Mr Cameron Betts	10
Dianne's Beauty	1
Don't Tell Macey	1
Don't Tell Sandy	1
Pearl's A Chance	1
Rupee's Revenge	1
Sacred Beast	1
Tahira Star	1
Volume Up	1
Littered (unnamed)	2
Mr Christopher Hepburn	5
Akuna Street	1
Devil's Gate	1
Dolly's Daughter	1
Dolly's Dream	1
Noisy Roy	1
Mr Clinton Tapp	3
Bomb Tapp	1
Kermy's Gem	1
Master Tapp	1
Mr Dale Hammersley	4
Littered (unnamed)	1
Bring It	1
Get On Board	1
Stipulated	1
Mr Daniel Pell	1
Is It Me	1
Mr Danny Loone	1
Black Panama	1
Mr Darren Critchley	3
Frosty Jet	1
Rosie Oh Rosie	1
Turuva	1
Mr Darryl Fitzsimmons	22
Littered (unnamed)	1
Anndar Annie	1
Anndar Diva	1
Anndar Lodge	1
Anndar Shelly	1
Anndar Sonic	1
Anndar Spirit	1
Send It Tiger	1
Trending Now	1
Littered (unnamed)	10
Anndar Boom	1

Anndar Plonk	1
Anndar Winx	1
Mr Daryl Crane	3
Jumbuk Hellcat	1
Lefroy Lass	1
Undiagnosed	1
Mr David Booth	2
Jamella Jet	1
Spare A Dime	1
Mr David Gale	2
Posie Shines	1
Tool Shiner	1
Mr David Swan	4
Aztec Dancer	1
Carat Dancer	1
Dancer Of Flame	1
Elle Dancer	1
Mr Douglas Cassidy	1
Notley Espresso	1
Mr Dwayne Dunn	1
Lucky Lynn	1
Mr Edward Medhurst	17
Littered (unnamed)	1
Aunty Medio	1
Cheam	1
Dealer	1
Glenroy	1
Leyton	1
Make Waves	1
Miss Avatar	1
Ronny Rocket	1
Seaton	1
Stanmore	1
Tagline	1
Thirsk	1
Times Flying	1
Trick	1
Whaled It	1
Where's Aunty	1
Mr Eric Haldane	2
Explosive Drums	1
Rio Valiente	1
Mr Francis Feeney	2
Hot Diggity	1
Splendid Hera	1
Mr Gary Black	1
Mighty Flirt	1
Mr Gary Fahey	11
Littered (unnamed)	1
April Cruiser	1

Breaker's Tip	1
Fawn Shadow	1
Fuel On Four	1
Inherited Charm	1
Just Browsing	1
Mini's Magic	1
Roxy Rocker	1
Socially Elegant	1
Supreme Leader	1
Stella Shadows	1
Mr Gary Johnson	16
Buckle Up Alani	1
Buckle Up Amanda	1
Buckle Up Aria	1
Buckle Up Easton	1
Buckle Up Gavin	1
Buckle Up Ginna	1
Buckle Up Majel	1
Buckle Up Miles	1
Buckle Up Rae	1
Buckle Up Ria	1
Buckle Up Taja	1
Buckle Up Wystan	1
Buckle Up Yarni	1
How We Go	1
Little Charlotte	1
Second Knuckle	1
Mr Gerard Allford	8
Littered (unnamed)	1
Bearville Blues	1
Bearville Bronx	1
Bearville Freddy	1
Bearville Honey	1
Bearville Matt	1
Bearville Whoosh	1
She's A Honey	1
Mr Glenn Howlett	8
Our Dad's Rock	1
Polarised	1
Raving Lunatic	1
Reiko Hulk	1
Step On It	1
Two Girls	1
Two Toots	1
Thumping	1
Mr Graeme Lawson	1
Pristine	1
Mr Graeme Moate	5
Bell's Pride	1
Blackpool Betty	1

Blackpool Trip	1
Sassy Black	1
Unconvicted	1
Mr Hilton Howard	11
Bellman Manor	1
Chilled Whisky	1
Informant	1
Last Splash	1
Party Popper	1
Sergeant Alf	1
Simply Express	1
Dan Road	1
Fishing Ducks	1
Jungle Boogie	1
Show Princess	1
Mr Ian Callinan	4
Fleeting One	1
One More Cake	1
Over Is Over	1
Scraps Ahoy	1
Mr Jack Jury	13
Battery Operated	1
Born Equal	1
Disfunctional	1
Excite Enough	1
Flying Lexi	1
Our Girl Maggie	1
Recall	1
Regular Touch	1
She's Happy	1
Spider Pig	1
Tycoon Jill	1
Wall Mount	1
White Cloud	1
Mr Jamie Devine	3
Code Orange	1
Family Bruiser	1
Sparky Lizard	1
Mr Jared Davies	4
Littered (unnamed)	1
Little Sienna	1
Over The Measure	1
Sapphire Quest	1
Mr Jason Barwick	2
Bazaar Avatar	1
Dr. Neville	1
Mr Jeff Galea	1
Tilkah's Angel	1
Mr John Newson	1
Takes Time	1

Mr John Wilton	1
Marry The Night	1
Mr Joshua Wright	8
Littered (unnamed)	1
Chocolate's Can	1
Elsa Boloney	1
Fisherman's Wish	1
Harden Up Johnny	1
Klondike Clyde	1
Peco	1
Pollinator Ken	1
Mr Kingsley Jarman	1
Nail 'em Fencer	1
Mr Kyron Ebdon	14
Brother's Keeper	1
Highgate Buster	1
Highgate Digger	1
Highgate Lass	1
Highgate Lucy	1
Highgate Nelly	1
Highgate Pete	1
Highgate Rosie	1
Highgate Winston	1
Winemaker	1
Finloch Cash	1
Highgate Alsie	1
Highgate Fennec	1
Life Is Yours	1
Mr Leigh Eastley	1
Ruben Rhode	1
Mr Leon Brazendale	1
Lizzy Milici	1
Mr Leonard Howard	16
Littered (unnamed)	1
All Loved Up	1
Banana Pancake	1
Baron Keyse	1
Crystalize	1
Fake Magic	1
Flaming Flirt	1
Hook Shot	1
I'M Star Walkin'	1
Lenny's Girl	1
Miss Catch Up	1
Nobody To Love	1
Ozzie Shines	1
Take Me Out	1
Water Bomb	1
Wynburn Hilary	1

Mr Lewis Mcculloch	4
Jorji's Jazz	1
Motton Lass	1
Motton Magic	1
Motton Millie	1
Mr Lynden Nichols	11
Littered (unnamed)	2
Brindle Rage	1
Changing Lanes	1
Eilish Girl	1
Go Baba Go	1
Little Dan	1
Lyncar Lionel	1
Lyncar Lou	1
Reintroduce	1
Today's Carlos	1
Mr Mathew Millhouse	2
Be The Best	1
Upwards Onwards	1
Mr Michael Johnson	1
Littered (unnamed)	1
Mr Michael Louth	13
Littered (unnamed)	1
Bonneville	1
Calgary Stampede	1
Camrose	1
Copper Mountain	1
Crackenback	1
Elko	1
Headwall	1
Kamloops	1
Kiandra	1
Kokanee	1
Lapland	1
Wanaka	1
Mr Michael O'Brien	3
Burton Mercer	1
Ebony Vista	1
Pinto Pronto	1
Mr Michael Pearce	10
Littered (unnamed)	3
Aariella's Girl	1
Carissa's Baby	1
Dawn's Best	1
Mahogany	1
Special Bond	1
Strike A Match	1
Wings Of Robert	1
Mr Michael Sherriff	6
Littered (unnamed)	1

Dad's Tarpia	1
Dip The Donut	1
Ducati Roy	1
Fay	1
Towelled Up	1
Mr Michael Stringer	8
Appenzell	1
Canya All Up	1
Colden Mandella	1
Mighty Quinn	1
Morikawa	1
No More Said	1
Rhinestone	1
Silver Shimmer	1
Mr Morris Strickland	4
Mahjong Nicki	1
Mrs. Boloney	1
Sin Rap Beast	1
Tilikum Boloney	1
Mr Nathan Gittus	9
Circles	1
Fitzgerald Grant	1
Molotov Mistress	1
Nature Strip	1
Olivia Pope	1
Queen's Justice	1
Wynburn Mustang	1
Yes Rosie	1
Zali Keeping	1
Mr Ned Mcdonald	2
Littered (unnamed)	1
Hypnotize	1
Mr Neville Allison	2
Buster Scruggs	1
Dilston Firebird	1
Mr Nicholas Howard	24
Littered (unnamed)	3
Anyone For You	1
Apache Dream	1
Aston Simpkin	1
Broken Arrows	1
Daddy Cool	1
Dream Once	1
Grand Fromage	1
Hello	1
Lonesome Loser	1
Love Again	1
Love Is Gone	1
Save Tonight	1
Sick Bubblegum	1

Smash 'em	1
Somebody To Love	1
Trademark Gill	1
Use Somebody	1
Wynburn Gypsy	1
Littered (unnamed)	2
Breakn' A Sweat	1
Mr Nicholas Howlett	11
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Littered (unnamed)	1
Flying Winnie	1
Frankie's Moment	1
Good Luck Babe	1
Kalashnikov	1
Let's Go Nan	1
Lily Zip	1
Magic Boom	1
Morning Heather	1
Under Watch	1
Wynburn Flyer	1
Mr Noel Gibson	5
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Aussie Magpie	1
Nashoba	1
Tommy Ruff	1
Winklee Wizard	1
Wynburn Jeanie	1
Mr Patrick Hall	5
<hr/>	
Aston Perk	1
Black Hoax	1
Cal's Sensation	1
Once A Dream	1
Remember Des	1
Mr Patrick Pearce	1
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Edge Of Courage	1
Mr Patrick Ryan	13
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Littered (unnamed)	7
Maggie's Delight	1
Mini Mara	1
Mystic Gaze	1
Opal Onyx	1
Pappy Van Winkle	1
Zipping Mara	1
Mr Paul Hili	38
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Littered (unnamed)	7
All About Billie	1
Cheeky Vixen	1
Lady Juliette	1
Mike Drop	1
Molly Potion	1
Mr. Ranger	1
Nifty Ross	1

Nitro Ace	1
Nitro Ash	1
Nitro Banjo	1
Nitro Bella	1
Nitro De Goey	1
Nitro Disco	1
Nitro Eve	1
Nitro Flyer	1
Nitro Harvey	1
Nitro Honey	1
Nitro Joe	1
Nitro Ninja	1
Nitro Plume	1
Nitro Rose	1
Nitro Snoopy	1
Nitro Sparrow	1
Nitro Toffee	1
Nitro Venom	1
Our Miss Maggie	1
Quick Chick	1
Roof Top Charlie	1
Senna Girl	1
Speedo Torpedo	1
Stylish Grace	1
Mr Paul Young	11
Can't Say	1
Impey	1
Just Be Bear	1
Just Regal	1
May Be Magic	1
Miss Butterfly	1
Ticking Over	1
Trunk Monkey	1
Worpel	1
You Who	1
Jamella Rocket	1
Mr Peter Phillips	12
Alyssa's Anarchy	1
Azel	1
Coffee Elizabeth	1
Mabior	1
Paco	1
Peterina	1
Philena	1
Posh Danger	1
Priyanka	1
Promise	1
She's Special	1
Surveillance	1

Mr Peter Stucki	1
Wilson	1
Mr Richard Hall	8
Littered (unnamed)	3
Bridwood Ali	1
Bridwood Elle	1
Bridwood Jack	1
Bridwood Violet	1
Stylish Dash	1
Mr Ricky Martin	31
Getaway Car	1
Hidden Code	1
Just Like Comet	1
Space Junk	1
Speedy Comet	1
Storm Signal	1
Whiskey Flyer	1
Whiskey Turbo	1
Littered (unnamed)	16
Alinta Prayer	1
Flash Comet	1
Leica Prayer	1
My Storm	1
She's A Princess	1
Whiskey Tycoon	1
Witherspoon	1
Mr Robert Gourlay	4
Brindle Product	1
Hard Lesson	1
No Permission	1
Not So Equal	1
Mr Robin Grubb	16
Littered (unnamed)	3
Peco Can	1
Rojo Jojo	1
Rojo Molly	1
Willow Can	1
Littered (unnamed)	7
Rojo Can	1
Rojo Diamond	1
Mr Robin Stocks	4
Red Day	1
Sunbound	1
Tory's Day	1
Twice Bitten	1
Mr Rodney Campbell	10
Littered (unnamed)	7
Kingfish	1
Medio Paso	1
Vamos Penny	1

Mr Rodney Stamford	3
Littered (unnamed)	1
Bali Or Bust	1
Topline Breeze	1
Mr Ross Freeman	6
Dusty Rico	1
Fast Minardi	1
Sherwood Boys	1
Littered (unnamed)	2
Frosty's Me Name	1
Mr Ross Work	17
Littered (unnamed)	5
Ain't Waiting	1
Blazer Express	1
Boumba Rico	1
Burnie Ross	1
Fishy Business	1
Mad Eye Ross	1
Rico Balboa	1
Secrets Revealed	1
Tide Will Turn	1
Timeless Miss	1
Draymond	1
Timeless Gracie	1
Mr Russell Watts	2
Circle With Me	1
If I'M Lucky	1
Mr Scott Bryan	3
Littered (unnamed)	2
Shadows No More	1
Mr Scott Fenton	2
Double Rose	1
Jalla Miss	1
Mr Scott Jury	8
Littered (unnamed)	3
Cosmic Polly	1
Cry Or Laugh	1
Mantha Lee	1
Run Rosie Run	1
Jack The Flash	1
Mr Scott Stefanos	1
Proven Eddie	1
Mr Shane Whitney	2
Littered (unnamed)	1
Charlott's Angel	1
Mr Stephen Gerrard	6
Littered (unnamed)	1
I've Got Spark	1
My Mate Bluey	1
Rock The Party	1

Vintage Class	1
Wynburn Sweetie	1
Mr Steven O'Brien	7
Littered (unnamed)	2
Cleophus James	1
Gas Lock	1
Rosa Vista	1
Swan Vista	1
Tilly Vista	1
Mr Thomas Herbert	5
Littered (unnamed)	2
Fire And Ice	1
Kashmir	1
On It	1
Mr Todd Monson	4
Littered (unnamed)	2
Hellyer Dougie	1
Wynburn Honey	1
Mr Tony Keogh	8
Littered (unnamed)	2
Aston Action	1
Border Star	1
Likely Trouble	1
Lucky Seven	1
Misty Halo	1
She's It	1
(blank)	
Mr Trent Anthony	2
Black Kingdom	1
Daph's Echo	1
Mr Troy Delsar	1
Let's Enjoy This	1
Mr Vaughan Clark	1
Oloroso	1
Mr Warren Scannella	2
Campari Kate	1
Midori Sunrise	1
Mr Wayne Howells	9
Aussie Boom	1
Bemboka Belle	1
Cruising Gary	1
King Kilo	1
Miss Everest	1
Mr. Cortez	1
Ollie Jack	1
Wynburn Primus	1
Ziping Goldie	1
Mr Wayne Keygan	9
Bronte Maree	1
Butler's Angel	1

Classy Crook	1
Mrs. Fencer	1
Tah Allie	1
Tah Rosie	1
Tah Stella	1
Willow Tree	1
Wynburn Babe	1
Mr Wayne Williams	5
Honey Scotch	1
It's A Scotch	1
It's Ivy	1
Miss Dulcie	1
That's Iris	1
Mrs Allison Brazendale	4
Indy Grant	1
Kiwi Ice Cube	1
Vista Exam	1
Vista Yank	1
Mrs Beth Smith	2
Owned By Clowns	1
Todd's Express	1
Mrs Carol Martin	3
Littered (unnamed)	2
Painted Petite	1
Mrs Denise Williams	5
Arcadian Ruby	1
Don't Slip Mick	1
Highgate Molly	1
Kisses For Ruby	1
Push The Button	1
Mrs Jillian Stamford	14
Littered (unnamed)	6
Houdini's Sister	1
In The Balance	1
Inspector Frank	1
Power Of One	1
Settle Down	1
Silent Prayer	1
Stop Line	1
Whisky Barrel	1
Mrs Karlene Cuthbertson	3
Littered (unnamed)	2
Disco Dance	1
Mrs Pamela Brazendale	1
Rev Penny	1
Mrs Pauline Green	1
Lasting Memories	1
Mrs Shirley Halliday	1
Our Shout	1

Mrs Susan Gittus	14
Littered (unnamed)	5
Claybourne	1
Denver County	1
Distorted	1
Frunesco	1
Hello Birdy	1
Maggie Fitz	1
Purdie Shuffle	1
Undermine	1
Wheels Up	1
Ms Amanda Grice	2
Evie Eloise	1
Tokyo Danger	1
Ms Anita Watts	1
Clairvoyant	1
Ms Carol Nash	7
Baba's Swift	1
Bowser Boy	1
Cabao Kyanite	1
Enraged Baba	1
Mr. Fahrenheit	1
No Deal	1
Reschedule	1
Ms Debbie Cannan	12
Alveston	1
Blendon	1
Bronte	1
Brookdene	1
Eton	1
Fesco Lass	1
Kew	1
Morden	1
Motspur	1
Romford	1
Seattle	1
Littered (unnamed)	1
Ms Debbie Eastley	9
Littered (unnamed)	7
Hester Rhode	1
Master Rhode	1
Ms Eileen Thomas	7
Arlo's Pet	1
Canya Chloe	1
Memphis Rains	1
Remember Tommy	1
Tsar Bell	1
Veronica Lodge	1
Yes Eileen	1
Ms Gayelene Townsend	13

Littered (unnamed)	4
Awesome Chill	1
Awesome Emily	1
Awesome Rocky	1
Blackbrush Annie	1
Blackbrush Betty	1
Blackbrush Blaze	1
Blackbrush Goldy	1
Blackbrush Tommy	1
That's When	1
Ms Ingrid Watkins	14
Littered (unnamed)	10
Aeroplane Bernie	1
Cut The Cord	1
Josie's Gold	1
Unleash The Diva	1
Ms Jessica Swifte	3
Dame Kirra	1
Eve's Burner	1
Wellington Noise	1
Ms Katrina Gregory	14
Littered (unnamed)	4
Canya Siyan	1
Colt Forty Five	1
Frayah's Bailey	1
Frayah's Ginger	1
Shima Lexie	1
Spice Lady	1
Dundee Coco	1
Georgie Dean	1
Good Odds Dot	1
Mustang Carly	1
Ms Loretta Mcshane	7
Littered (unnamed)	2
Can Do	1
Fixated	1
Jamella Storm	1
Never Wrong	1
Speak Now	1
Ms Lynne Dove	1
My Girl Tenika	1
Ms Margaret Rossendell	2
Deadly Breeze	1
Princess Cruiser	1
Ms Nicole Howard	13
Aston Teresa	1
Aston Zagreb	1
Call Sergeant	1
Deadly Stride	1
Deadly Talent	1

Duckies Empire	1
Fishing Yari	1
Flaming Tequila	1
Made Up Stories	1
Promises Made	1
Racketeering	1
Toll On Me	1
Ziping Clooney	1
Ms Rachael Moate	3
Gravitational	1
Rapidly	1
Defensive	1
Ms Robyn Johnson	21
Littered (unnamed)	8
Buckle Up Allie	1
Buckle Up Bono	1
Buckle Up Elise	1
Buckle Up Flynn	1
Buckle Up Hilton	1
Buckle Up Kenzie	1
Buckle Up Kirk	1
Buckle Up Rose	1
Buckle Up Sandra	1
Buckle Up Savani	1
Buckle Up Spare	1
Buckle Up Wilton	1
Idyllic Layla	1
Ms Sandra Elphinstone	1
Gracie Flyer	1
Ms Sharyn Marshall	10
Littered (unnamed)	6
Atala	1
Cisco Kid	1
Sundara	1
Zuri	1
Ms Sonia Martin	3
Delta Whiskey	1
Seika's Shadow	1
She's A Dancer	1
Ms Suzanne Tindall	3
Littered (unnamed)	3
Pacing To Chasing (Syndicate - Miss Samantha Freeman)	1
Man Over Board	1
Rock Three (Syndicate - Mr Geoff Doyle)	1
Midnight Grand	1
Shantothemax (Syndicate - Mr Jason Farrell)	1
Good Boy Boy	1
Solotrek Racing (Syndicate - Mr Stephen Wyles)	5
Bundaberg Gum	1
Good Odds Atlas	1

Hit The Switch	1
Lonely Hunter	1
Very Sneaky	1
The Blue Army (Syndicate - Mr Tony Rogers)	2
Black Jewfish	1
Black Wave	1
Wynburn Racing (Syndicate - Mr Thomas Englund)	15
Littered (unnamed)	13
Wynburn Cutie	1
Wynburn Dancer	1
Grand Total	1038

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

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



Ms Helen Burnet
Chair, Government Businesses Scrutiny Select Committee
House of Assembly
Parliament House, Hobart
c/- fiona.murphy@parliament.tas.gov.au

12 DEC 2025

Dear Chair

On behalf of the Minister for Infrastructure and Transport, please find enclosed with this letter a response from Metro Tasmania responding to questions taken on notice during scrutiny on 26 November 2025. I also enclose the *Metro Tasmania Customer Satisfaction Survey 2025* and a list of Metro Tasmania toilet facilities.

In addition to the enclosed response, three questions were referred to the Department of State Growth. Answers to those questions are as follows:

6. How many transit officers are currently contracted through Department of State Growth? And how many transit officers are contracted to Metro services?

State Growth has contracted Wilson's Security to provide transit officers on buses across the greater Hobart area for 10 Transit Officers operating in pairs. The transit officers are provided to Metro, Kinetic and Tassielink and approximately 95% of their time has been on Metro services.

7. Is transit officer funding permanent funding?

In the 2025/26 State Budget \$2.38 million per annum has been provided for Transit Officers.

11. Will legislative change be required to install P2 bus lanes?

T2 Lanes and Bus Lanes are already provided for under the Tasmanian Road Rules (Rules 154, 156 and 158). No further legislation is required to install these lanes.

Should you have further questions, please contact Minister Vincent's Chief of Staff Tim Lovibond by email to tim.lovibond@dpac.tas.gov.au or phone on 0427 903 165.

Yours sincerely

A handwritten signature in black ink, appearing to read "Eric Abetz".

Hon Eric Abetz MP
Acting Minister for Infrastructure and Transport

Encl.



The Hon Kerry Vincent MLC
Minister for Infrastructure and Transport
Via email: minister.vincent@dpac.tas.gov.au

Dear Minister

Please see responses to questions taken on notice in the Metro Tasmania scrutiny committee hearing on Wednesday 26 November 2025.

Below is the requested information:

Metro Tasmania Pty Ltd

- 1. Please provide the amount (\$) provided by the Department of State Growth for 'top up' to Metro Tasmania for the half price fares initiative in 2024-25.**

The Department of State Growth (DSG) provided Metro Tasmania (Metro) \$5.356m during 2024-25 for the half price fares initiatives.

- 2. Can a breakdown of the 'Other Income' listed as \$8.117 million for 2024- 25 be provided?**

Metro recognises grant income as it incurs expenses in accordance with Australian accounting standards.

See the breakdown below 2024-25:

Grant Income FY25	From	\$'000s
Bus Operator Wages	State Growth	3,446
Hydrogen Bus Trial	RECFIT	2,177
Battery Electric Bus Trial	Treasury	358
Intelligent Transport Systems	Treasury	802
HASTUS Implementation	State Growth	648
Security Screens	State Growth	387
Realtime Tracking System	State Growth	292
Other		7
Total		8,117

- 3. Did Metro Tasmania engage with a company called Cormeum Consulting? If so, what year was that?**



Metro engaged Cormeum Consulting in a Contract for Services in November 2021 to lead the procurement and implementation of an integrated ticketing system state-wide, including management of the project team, budget, safety and customer stakeholder engagement. This engagement ended in April 2023 (**'Common Ticketing Engagement'**).

In July 2023, Cormeum Consulting was engaged in a Contract for Services to provide a program management resource (Program Manager) to lead, oversee and project manage the implementation of a new ticketing system and a network planning and rostering software into Metro, and the associated business changes. This engagement ended in May 2024 (**'Operational Readiness Engagement'**).

4. Did a principal advisor from Cormeum Consulting then become employed at Metro Tasmania? What year was that and what role were they in at Metro Tasmania?

No.

5. Given Metro Tasmania gave Cormeum Consulting a \$388,136 contract related to common ticketing in 2022-23, and a further \$105,000 contract in 2023-24, is Metro Tasmania satisfied there was no conflict of interest?

As part of the Common Ticketing Engagement, the Specified Personnel (as defined in the Contract for Services) disclosed that they had "previously assisted DTMR is (sic) the commercialisation of their new ticketing system". This was documented on Metro's Conflict of Interest Register. It was noted that the conflict was managed because Cormeum had terminated the engagement with DTMR.

6. How many transit officers are currently contracted through Department of State Growth? And how many transit officers are contracted to Metro services?

To be answered by DSG.

7. Is transit officer funding permanent funding?

To be answered by DSG.

8. Please provide Metro customer satisfaction surveys over last 12 months?

See attached.

9. How many drivers were trained each year for the last three years?

FY 2022-23, 118 drivers trained.

FY 2023-24, 119 drivers trained.

FY 2024-25, 136 drivers trained.



10. How many drivers were trained over the last three years who remain employed as driver at Metro 12 months after the completion of their driver training?

FY 2022-23, 88 drivers retained (74.6%).

FY 2023-24, 85 drivers retained (71.4%).

FY 2024-25, 124 drivers retained (91.2%).

11. Will legislative change be required to install P2 bus lanes?

To be answered by DSG.

12. Are Metro confident that none of their fuel suppliers are procuring fuel from Russia or fuel processed in a 3rd country?

Metro's fuel supply is procured by the Tasmanian Department of Treasury and Finance under a statewide contract.

13. How many rest areas/toilets are dedicated to Metro bus drivers in all Metro routes?

Please see attached a list of all toilets accessible to Metro drivers, including those owned by Metro.

14. On how many occasions has the issue of dedicated toilets/rest facilities for Metro drivers has been raised by union delegates/workers over the last 5 years?

Employees, Health and Safety Representatives, union delegates and organisers have multiple avenues to raise concerns with Metro, this includes about its toilet facilities. Metro actively encourages reporting when matters arise, and Metro undertakes to respond to all matters raised.

Metro provides access to a range of dedicated and shared comfort stop facilities for bus operators across Hobart, Launceston and Burnie. From time to time, Metro receives reports on its toilet facilities and responds accordingly.

15. Please can Metro provide the customer feedback regarding Real Time Tracking and statistics regarding percentage of services being tracked?

All Metro buses are fitted with tracking devices, with trip and location information provided to DSG. The accuracy and availability of real time tracking on Apps, such as the Metro App, is dependent on the data feed from DSG.

The Metro Tas App has, on average, more than 30,000 monthly actively users. From the launch of real-time tracking in December 2024 to date, Metro has received 6 complaints and 2 compliments to its customer team regarding real-time tracking and/or the Metro App.



16. Can you provide a comparison to other states/territory of the age of the Metro bus fleet?

The Bureau of Infrastructure and Transport Research Economics (BITRE) provides statistics relating to the number of vehicles (including heavy buses) registered for road use in Australia on 31 January 2024.

The statistics encompass all vehicles that were registered with an Australian state or territory motor vehicle registry for unrestricted use on public roads and reported by jurisdictions to the National Exchange of Vehicle and Driver Information System (NEVDIS).

Further comparison data on heavy buses fleet age across Australian jurisdictions can be found on page 10 of the report: [Road vehicles Australia, January 2024](#). For Tasmania, this includes all heavy buses, not just Metro's fleet. The average age of Metro's fleet is 10.64 years.

More statistics are available on the BITRE website and data.gov.au.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

Tony Braxton-Smith
Chair, Metro Tasmania

Attachment 1: EMRS / Metro Tasmania Customer Satisfaction Survey 2025

Attachment 2: List of toilets accessible to Metro drivers, including those owned by Metro.



Metro Tasmania

Metro Customer Satisfaction Survey Research Report 2025

Prepared by:



**ENTERPRISE MARKETING
AND RESEARCH SERVICES**

EMRS Project ID: 202505-06
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The research complies with the EMRS Quality System, certified to ISO 20252:2019, the international standard for Social and Market Research, certificate number 888027.

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Executive Summary

Metro's vision is to transform Tasmania's passenger transport to make it a travel option of choice, which has led to Metro placing the customer at the centre of its business.

In order to assist Metro in carrying out its core business, the company required the provision of market research services to undertake a series of annual customer satisfaction surveys.

The first year in which the research was conducted was in 2011, since then research has been conducted each year, with the exception of 2020 and 2022 when it was postponed due to the COVID-19 pandemic.

The 2025 report presents the findings of the fourteenth year of this research.

In the 2018 and 2019 rounds, EMRS recommended using a face-to-face approach as the sole method of data collection, so as to maximise the potential for capturing a sample which was representative of Metro Tasmania's customers.

This approach proved to be successful and was utilised again in the 2021, 2023, 2024 and 2025 rounds.

The research's purpose is to gather data on the community's satisfaction with Metro's services, thereby providing Metro Tasmania with information from Hobart, Launceston and Burnie passengers about their travelling habits, experiences, along with their perceptions of the quality of Metro's services.

Travelling on Metro Services – a Snapshot

Just over half of respondents reported they only needed to catch "one bus" to get where they want to go (57% in total); just over one third confirmed they had to catch "two buses" (36% in total); 4% needed to catch "three buses", and a further 2% needed to catch 'four or more busses' for their travel purposes.

Over one half of the respondents reported they usually caught the bus "1-5 times a week" (51%), and over one third (35%) confirmed they travelled on the bus "more than 5 times a week".

In 2025, more than one half of the respondents reported "no, they did not have a motor vehicle or access to one" (55%), consistent with 2024 (59%) and 2023 (56%) .

Over half of the full sample reported that one of the main factors influencing why they choose to catch the bus because of the convenience (55%). This was followed by it being the "only form of accessible transport" for them (52%).

The most commonly given reason for catching a bus was "to go shopping" (38%), followed by "to go to work" (37%), and to "visit friends or relatives" (22%).

On comparing the latest results to those in the previous round, respondents were notably less likely to mention travelling by bus "to go to school" (15% in 2025 compared to 19% in 2024), but more likely to use the service "to do business – i.e., banking, etc." (12%, up from 6% in 2024).

Satisfaction with Metro Tasmania

Network Elements

Overall satisfaction with all network elements had significantly declined from 2021 to 2023 but picked up again in 2024 and up again in 2025.

The largest improvements in satisfaction were seen in “cost to use the service” (80% in 2021 to 67% in 2023, up to 82% in 2024 and a further increase to 91% in 2025) and “the length of time it takes to travel” (74% in 2021 to 67% in 2023, up to 73% in 2024 and up to 82% in 2025).

In 2024 respondents were most likely to be *dissatisfied at some level* with the “operating hours of the services” (65% in 2021, 56% in 2023, 58% in 2024, and then up to 71% in 2025), followed by “ease of transfers between services” (65% in 2021, 57% in 2023, 54% in 2024, up to 69% in 2025) and “frequency of the services” (62% in 2021, 51% in 2023, 52% in 2024, up to 68% in 2025.)

Service Elements

In 2025, satisfaction across service elements increased slightly from 2024.

Respondents continued to have the highest levels of satisfaction with Metro Tasmania’s provision of “the service provided by bus drivers” (a combined total of 86% in 2025, up from 77% in 2024), followed by “personal safety” (78% in 2025, up from 68% in 2024).

Respondents were least satisfied with “the reliability of the services” (68% in 2025, up from 59% in 2024). However, it should be noted, a high proportion stated they were *neither satisfied nor dissatisfied* (25% in 2025, down slightly from 26% in 2024).

Satisfaction with “the services provided by Metro Tasmania overall” increased to 78% in 2025 from 69% in 2024.

Of the small sample of 19 respondents in 2025 who were *dissatisfied* with the services provided by Metro overall, the predominant unprompted reasons given were:

- dissatisfaction with the reliability of buses arriving or running to schedule;
- changes to or cancellations of routes;
- the frequency of the bus services; or
- poor communication or lack of info.

This is consistent with feedback from previous years overall.

Personal Safety – Impacts of Anti-social Behaviour

Newly added in 2023, and continued in 2024 and 2025, just under half of respondents (48%) stated they had experienced or witnessed anti-social behaviour while using a Metro service.

For a small proportion of respondents (9%) this impacted on how frequently they caught the bus, with most choosing to reduce their frequency between 1 and 3 less trips overall which is a combined 58% reduction in trip use.

Satisfaction with Metro Vehicles

Satisfaction with Metro vehicles increased slightly in 2025, with “comfort of the ride” (82% in 2025, 72% in 2024 and 68% in 2023) continuing to receive the highest satisfaction. The “cleanliness of the bus” improved to 77% in 2025, up from 63% in 2023 and 2024.

Complaints to Metro Tasmania

In 2025, 8% of respondents stated they had made a complaint to Metro about the bus service in the last 12 months. Of these, just under half were *satisfied to some degree* with the time it took to respond to their complaint (49% up from 42% in 2024, but still down from 61% in 2023).

Just over four in ten of the respondents in 2024 who had made a complaint to Metro about the bus service were *satisfied to some degree* with the way it was handled and resolved (up slightly to 45% in 2025 from 42% in 2024, but still down from 57% in 2023).

Access to Metro Customer Information

The majority of respondents in 2024 continued to find Metro's customer information, such as timetables and routes, easy to access to some degree (88% in 2025, up slightly from 85% in 2024 and 2023), while the difficult to access to some degree rating declined slightly to 11% in 2025 from 13% in 2024 and 2023.

Overall, there is a trend - although not significant - where satisfied customers tend to rate the accessibility of information as "very easy", while those who are dissatisfied are *more likely* to provide a *quite easy* through to a *very difficult* rating. This indicates that customers who are unhappy with aspects of Metro's network, services or vehicles are generally *more likely* to also provide a less positive response regarding the accessibility of customer information, and most likely other aspects of their experience with Metro.

Website and App Usage

In 2025, over a third (36%) of respondents indicated they never visit the Metro website. Half (50%) of the respondents indicated they had the Metro app, and just over half (51%) of those used it at least a couple of times a week.

Metro's Real Time Tracking

Over three-quarters (78%) indicated they did not use Metro's Real Time Tracking. Of those who use it, the majority (94%) found it easy to use on some level, and four-fifths (80%) were *satisfied with it on some level*.

Metro's Greencard

In 2025, the majority of respondents confirmed they have a Greencard (89%), similar to 2024 (84%) and 2023 levels (83%).

Among those with a card, the most preferred method of topping-up in 2025 was "with cash - on the bus" (55%).

When those who did not top up their card online were asked if they would do so if cash was not available, 64% agreed. Those who did not agree were *more likely* to indicate they did not use or like online services (24%) or online safety concerns (21%) as their reasons for not doing so.

Section One – Introduction

Metro Tasmania is the largest publicly owned passenger transport company in Tasmania, providing urban passenger bus transport services within Hobart, Launceston and Burnie. They also provide non-urban services based on individual contracts, a range of charter services, as well as special event services. Metro continues to deliver safe, reliable and quality road passenger transport services in Tasmania.

To ensure Metro's vision of putting the customer is at the core of its business, EMRS was commissioned to deliver the most recent round of customer satisfaction research. This report presents the findings of the 2025 research and compares it to previous years to understand whether Metro has improved on key aspects of its core promise to customers.

1.1 Aims and Objectives

Research Aim

In all the survey rounds, the aim of the research was to gather data on respondents' levels of satisfaction with Metro's services, providing Metro Tasmania with information from Hobart, Launceston and Burnie passengers about their experiences and their view of the quality of the services.

Research Objectives

The key objectives of the customer satisfaction survey were to:

- Demographically profile the customers;
- Measure passenger transport usage across the three regions;
- Gain an understanding of travel patterns and reasons for travel on Metro services;
- Determine the overall perception of Metro Tasmania;
- Determine overall satisfaction with its passenger transport in regard to:
 - overall satisfaction with Metro's services,
 - route coverage and directness,
 - reliability,
 - travel time,
 - frequency of the services,
 - operating hours of the services,
 - ease of transfers,
 - personal safety on board, at the bus stop, and to and from the bus stop,
 - the cost of using Metro services, and
 - bus operator friendliness/ helpfulness;
- Understand the impact of anti-social behaviour on bus use;
- Measure satisfaction with how complaints are handled and resolved;
- Measure familiarity with and comprehension of Metro customer information; and
- Closely compare the results to the previous research round in 2024.

1.2 Methodology

Research Methodology

Using Computer Assisted Telephone Interviewing (CATI) to survey 600 Metro Tasmania customers across the three regions of the state, the first round of the Customer Satisfaction Survey was conducted in August 2011. Subsequent research rounds using CATI were carried out annually between 2012 and 2016.

Prior to conducting the next research round in 2017, Metro Tasmania identified the survey sample, although representative of the Tasmanian population, did not reflect the demographical profile of its customers, which consists of a large proportion of customers aged 14 to 18. In light of the challenges identified in reaching younger customers using CATI along with EMRS's recommendation, Metro Tasmania moved to a mixed-methods approach: namely, using a face-to-face survey methodology in the south of the state, coupled with a CATI methodology in the northern regions. However, in the northern regions, EMRS again faced difficulty in gaining a representative sample of customers, with a skew towards older respondents.

Having successfully administered the survey in the south of the state using a face-to-face methodology in 2017, EMRS moved to using face-to-face data collection as the primary method across all regions in 2018, 2019, 2021, 2023, 2024 and in the latest round in 2025.

The survey was administered to a sample of 600 respondents who were users of a Metro bus service. The data was collected between the **30th of July and the 23rd of August 2025**.

Sampling Error

As with all quantitative research, it must be remembered that all sample surveys are subject to sampling variation. The sampling variation depends largely on the number of respondents interviewed and the way the sample is selected. In theory, with a sample size of 600 respondents, in this research we can say with 95% certainty that the results have a statistical accuracy of ± 4.0 percentage points compared to the results that would have been obtained if the entire population had been surveyed.

Sample Weighting and Quotas

To ensure accurate representation of age and gender, the data has been weighted to Metro Tasmania's passenger profile. This yield results which are a more accurate representation of the target population. Quotas were put into place for age, gender, region, frequency of use, and other boarding information such as fare type.

With Metro Tasmania predominantly servicing Greater Hobart, the gathered data was weighted to yield a 71.5% response rate from Hobart, 18% from Launceston and 10.5% from Burnie, thereby, reflecting the distribution of Metro's services across the state. The survey sample was based on a representative cross-section of the Tasmanian community.

Statistical Significance and Data Interpretation

Where results are considered statistically significant at a minimum confidence level of 95%, they have been highlighted in the tables, with green cells denoting a significantly more positive result statistically and those highlighted red a significantly less positive result.

Where percentages do not sum to 100, this may be due to rounding or where respondents were able to give multiple responses.

Throughout the report, an asterisk (*) denotes the reason for the results not summing to 100 per cent. A double asterisk (**) in the demographic tables marks those subgroups with small sample sizes, and therefore the results should be interpreted with caution. Small subgroup samples are those with less than 30 respondents.

1.3 The People Interviewed

The respondents selected as eligible to take part in the research were 14 years or over and users of a Metro bus service. The following table shows the percentage of each demographic group involved.

Demographic Table – The People Interviewed
(Percentage of those in each demographic group)*†

Demographic Group	2025	
	Percentage	Number
<i>Total</i>	100	600
<i>Gender</i>		
Male	44	265
Female	56	335
Other	0	0
<i>Age</i>		
14 to 19 years	19	116
20 to 24 years	9	56
25 to 34 years	16	96
35 to 44 years	11	65
45 to 54 years	13	78
55 to 69 years	17	104
70 years or over	14	85
<i>Region</i>		
Hobart	72	429
Launceston	18	108
Burnie	11	63
<i>Fare Type</i>		
Adult fare (full fare)	35	208
Adult concession	43	257
Student/ child	22	132
<i>Access to a Motor Vehicle</i>		
Yes – regular	31	188
Yes – occasional	27	160
No	42	251
Unsure	0	1
<i>Physical Disability</i>		
Physically disabled	13	78
No physical disability	87	522
Declined to answer	0	0
<i>Employment Status</i>		
Employed full-time or self-employed	20	117
Employed part-time or casually	25	150
Engaged in home duties	4	22
Retired or on a pension	28	165
A secondary school student	11	66
A tertiary student - University	7	41
A tertiary student - TAFE	1	6
Looking for work	5	31
Declined to answer	0	2

*Percentages may not sum to 100 due to rounding.

†Percentages here are unweighted. Elsewhere in the report the percentage figures have been weighted to reflect the demographic profile of the target population.

Section Two – Travelling on Metro Services

2.1 Understanding Travel Patterns

2.1.1 The Number of Buses Usually Caught

All respondents were asked:

How many buses do you usually have to catch to get where you want to go?

Table 1 – Number of Buses Usually Caught in 2025
(Percentage of respondents)*

Demographic Group	One	Two	Three	Four or more
Total	57	36	4	2
<i>Gender</i>				
Male	59	37	3	2
Female	55	36	6	3
<i>Age</i>				
14-19 years	58	40	2	0
20-24 years	49	45	4	1
25-34 years	52	43	4	1
35-44 years	54	38	4	4
45-54 years	47	36	12	5
55-69 years	67	26	2	5
70 years or over	66	29	4	1
<i>Region</i>				
Hobart	48	43	6	3
Launceston	78	22	1	0
Burnie	82	18	0	0
<i>Fare Type</i>				
Adult fare	55	38	4	3
Adult concession	60	32	5	3
Student/ child	55	42	2	0

*Percentages do not sum to 100 due to rounding.

In 2025, more than half of respondents usually catch “one bus” to get where they want to go (57% in total); with over one third stating they had to catch “two buses” (36% in total); and over than 1 in 20 (6%) needing to catch “three or more buses” for their travel purposes.

Respondents residing in Hobart are *more likely* to have to catch at least two buses (43%) or two or more (52%), while residents in Launceston (78%) and Burnie (82%) were *more likely* to only need one bus to get to their destination.

2.1.2 The Frequency of Travelling on the Bus

All respondents were asked:

How often do you usually catch the bus for your journey?

**Table 2 – Frequency of Travelling on the Bus in 2025
(Percentage of respondents)***

Demographic Group	More than 5 times a week	1-5 times a week	2-3 times a month	Once a month	Less than once a month	Unsure
Total	35	51	8	4	2	0
<i>Gender</i>						
Male	36	49	9	4	1	0
Female	33	52	7	5	2	0
<i>Age</i>						
14-19 years	47	42	2	6	2	1
20-24 years	41	46	11	0	2	0
25-34 years	38	54	4	3	1	0
35-44 years	41	46	8	4	2	0
45-54 years	37	45	13	3	3	0
55-69 years	28	54	15	3	1	0
70 years or over	12**	69	7	11	0	1
<i>Region</i>						
Hobart	35	49	9	5	1	0
Launceston	35	58	5	1	0	1
Burnie	31	47	11	5	7	0
<i>Fare Type</i>						
Adult fare	35	49	8	4	4**	0
Adult concession	26	57	11	5	1	0
Student/ child	50	42	3	4	1	1

*Percentages may not sum to 100 due to rounding.

**Results should be viewed with caution due to the small sample size.

Over half of respondents reported they usually caught the bus “1-5 times a week” (51%), and over a third (35%) stated they travelled on the bus “more than 5 times a week”.

Respondents aged 14-19 were significantly *more likely* to travel by bus more than 5 times a week” (47%) than those aged 55 or older (21%). Those aged 70 or older (60%) were *more likely* to catch the bus “1 to 5 times a week”.

Respondents on a student/child fare were significantly *more likely* to catch the bus “more than 5 times a week” (50%), compared to those on an adult concession fare (26%).

2.1.3 The Starting/ Destination Postcode of the Bus Route

All Hobart respondents were asked:

What is the starting postcode/ suburb of this bus route?

**Table 3 – The Starting Postcode/ Suburb of the Bus Route – Hobart Respondents
(Percentage of Hobart respondents)***

Starting Postcode/ Suburb of the Bus Route		2025 Percentage (n=426)
Postcode	Suburbs included in the catchment	
7050	Albion Heights, Kingston, Kingston Beach	14
7018	Bellerive, Howrah, Montagu Bay, Mornington, Rosny, Rosny Park, Tranmere, Warrane	14
7000	Glebe, Hobart, Mount Stuart, North Hobart, Queens Domain, West Hobart	11
7010	Dowsing Point, Elwick, Glenorchy, Goodwood, Montrose, Rosetta	11
7005	Dynnyrne, Lower Sandy Bay, Sandy Bay, University of Tasmania	6
7030	Apsley, Arthurs Lake, Bagdad, Bagdad North, Bothwell, Bridgewater, Brighton, Broadmarsh, Cramps Bay, Dromedary, Dysart, Elderslie, Flintstone, Gagebrook, Granton, Hermitage, Interlaken, Jericho, Kempton, Lake Sorell, Liawenee, Lower Marshes, Mangalore, Melton Mowbray, Miena, Millers Bluff, Morass Bay, Pelham, Pontville, Shannon, Steppes, Tods Corner, Waddamana, Wilburville	5
7009	Derwent Park, Lutana, Moonah, West Moonah	4
7019	Clarendon Vale, Oakdowns, Rokeby	4
7052	Blackmans Bay	4
7015	Geilston Bay, Lindisfarne, Rose Bay	3
7011	Austins Ferry, Berriedale, Chigwell, Claremont	3
7004	Battery Point, South Hobart	3
7054	Barretta, Coningham, Electrona, Fern Tree, Howden, Leslie Vale, Lower Snug, Margate, Neika, Ridgeway, Snug, Tinderbox, Wellington Park	3

*Postcodes mentioned by 2% or less of Hobart respondents in 2025 have not been included in this chart.

In 2025, the starting postcodes of the bus route which Hobart respondents were most likely to specify were “7050” and “7018” (14% each). Bus routes starting from “7000” and “7010” (11% each) were also relatively common.

All Hobart respondents were next asked:

What is the destination postcode/ suburb of this bus route?

**Table 4 – The Destination Postcode/ Suburb of the Bus Route – Hobart Respondents
(Percentage of Hobart respondents)**

Destination Postcode/ Suburb of the Bus Route		2025 Percentage (n=426)
Postcode	Suburbs included in the catchment	
7000	Glebe, Hobart, Mount Stuart, North Hobart, Queens Domain, West Hobart	54
7018	Bellerive, Howrah, Montagu Bay, Mornington, Rosny, Rosny Park, Tranmere, Warrane	10
7010	Dowsing Point, Elwick, Glenorchy, Goodwood, Montrose, Rosetta	8
7005	Dynnyrne, Lower Sandy Bay, Sandy Bay, University of Tasmania	5
7050	Albion Heights, Kingston, Kingston Beach	4
7009	Derwent Park, Lutana, Moonah, West Moonah	3
7007	Mount Nelson, Tolmans Hill	3
7019	Clarendon Vale, Oakdowns, Rokeby	3

*Postcodes mentioned by 2% or less of Hobart respondents in 2025 have not been included in this chart.

The destination postcode of the bus route which Hobart respondents were most likely to specify in 2024 was “7000” (54%), followed by “7018” (10%) and “7010” (8%).

All Launceston respondents were asked:

What is the starting postcode/ suburb of this bus route?

**Table 5 – The Starting Postcode/ Suburb of the Bus Route – Launceston Respondents
(Percentage of Launceston respondents)***

Starting Postcode/ Suburb of the Bus Route		2025 Percentage (n=108)
Postcode	Suburbs included in the catchment	
7250	Blackstone Heights, East Launceston, Elphin, Launceston, Newstead, Norwood, Norwood Avenue Po, Prospect, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston	76
7248	Alanvale, Inveresk, Invermay, Mayfield, Mowbray, Mowbray Heights, Newnham, Rocherlea	16**
7249	Glen Dhu, Kings Meadows, Punchbowl, Sandhill, South Launceston, Youngtown	7**

*Postcodes mentioned by 2% or less of Launceston respondents in 2025 have not been included in this chart.

**Results should be viewed with caution due to the small sample size.

In 2025, the starting postcode of the bus route which Launceston respondents were most likely to specify was “7250” (76%), followed by “7248” (16%)** and “7249” (7%)**.

All Launceston respondents were next asked:

What is the destination postcode/ suburb of this bus route?

**Table 6 – The Destination Postcode/ Suburb of the Bus Route – Launceston Respondents
(Percentage of Launceston respondents)***

Destination Postcode/ Suburb of the Bus Route		2025 Percentage (n=108)
Postcode	Suburbs included in the catchment	
7250	Blackstone Heights, East Launceston, Elphin, Launceston, Newstead, Norwood, Norwood Avenue Po, Prospect, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston	58
7248	Alanvale, Inveresk, Invermay, Mayfield, Mowbray, Mowbray Heights, Newnham, Rocherlea	22**
7249	Glen Dhu, Kings Meadows, Punchbowl, Sandhill, South Launceston, Youngtown	15**

*Postcodes mentioned by 2% or less of Launceston respondents in 2025 have not been included in this chart.

**Results should be viewed with caution due to the small sample size.

The destination postcodes of the bus route which Launceston respondents were most likely to specify in 2025 were “7250” (58%), “7248” (22%)**, and “7249” (15%)**.

All Burnie respondents were asked:

What is the starting postcode/ suburb of this bus route?

**Table 7 – The Starting Postcode/ Suburb of the Bus Route – Burnie Respondents
(Percentage of Burnie respondents)***

Starting Postcode/ Suburb of the Bus Route		2025 Percentage (n=63)
Postcode	Suburbs included in the catchment	
7320	Acton, Brooklyn, Burnie, Camdale, Cooee, Downlands, Emu Heights, Havenview, Hillcrest, Montello, Ocean Vista, Park Grove, Parklands, Romaine, Round Hill, Shorewell Park, South Burnie, Upper Burnie, Wivenhoe	95
7316	Camena, Cuprona, Heybridge, Howth, Loyetea, Penguin, Preservation Bay, Riana, South Riana, Sulphur Creek, West Pine	5**

*Postcodes mentioned by 2% or less of Burnie respondents in 2025 have not been included in this chart.

**Results should be viewed with caution due to the small sample size.

In 2025, the starting postcode of the bus route which Burnie respondents were most likely to specify was “7320” (95%), followed by “7316” (5%).

All Burnie respondents were next asked:

What is the destination postcode/ suburb of this bus route?

**Table 8 – The Destination Postcode/ Suburb of the Bus Route – Burnie Respondents
(Percentage of Burnie respondents)***

Destination Postcode/ Suburb of the Bus Route		2025 Percentage (n=63)
Postcode	Suburbs included in the catchment	
7320	Acton, Brooklyn, Burnie, Camdale, Cooee, Downlands, Emu Heights, Havenview, Hillcrest, Montello, Ocean Vista, Park Grove, Parklands, Romaine, Round Hill, Shorewell Park, South Burnie, Upper Burnie, Wivenhoe	58
7325	Calder, Doctors Rocks, Elliott, Flowerdale, Henrietta, Lapoinya, Meunna, Milabena, Moorleah, Mount Hicks, Myalla, Oldina, Oonah, Preolenna, Seabrook, Sisters Creek, Table Cape, Takone, West Takone, Wynyard, Yolla	18**
7322	Somerset	8**
7315	Abbotsham, Castra, Gawler, Gunns Plains, Leith, Loongana, Nietta, North Motton, Preston, South Nietta, South Preston, Spalford, Sprent, Turners Beach, Ulverstone, Upper Castra, West Ulverstone	7**
7310	Aberdeen, Ambleside, Devonport, Don, East Devonport, Erriba, Eugenana, Forth, Forthside, Kindred, Lillico, Lower Wilmot, Melrose, Miandetta, Moina, Paloona, Quoiba, South Spreyton, Spreyton, Stony Rise, Tarleton, Tugrah, Wilmot	6**
7316	Camena, Cuprona, Heybridge, Howth, Loyetea, Penguin, Preservation Bay, Riana, South Riana, Sulphur Creek, West Pine	3**

*Postcodes mentioned by 2% or less of Burnie respondents in 2025 have not been included in this chart.

**Results should be viewed with caution due to the small sample size.

In 2025, the destination postcode of the bus route which Burnie respondents were most likely to specify was “7320” (58%).

2.2 Reasons for Travelling on Metro Services

All respondents were asked:

When you catch a bus do you do so for any of the following reasons...?

**Table 9 – Key Reasons for Travelling on Metro Services
(Percentage of respondents)***

Reasons for Travel	2024 Percentage (n=600)	2025 Percentage (n=597)
To go shopping	39	38
To go to work	33	37
Visit friends or relatives	23	22
Health or welfare	21	18
To go to school	19	15 ↓
Entertainment or performances	13	13
To do business – i.e., banking, etc.	6	12 ↑
Sport or recreation	7	10
To go to University or TAFE	8	9
To volunteer	1	1
To attend appointments	1	1
To go home	0	0
To go to the library	1	0
Other	0	0

*Percentages do not sum to 100 as respondents were able to give multiple responses.

↑↓ Significant between years at 95% confidence level

In 2025, the most commonly given reason for catching a bus was “to go shopping” (38%), followed by “to go to work” (37%), and to “visit friends or relatives” (22%).

Across the waves, respondents were *less likely* to mention travelling by bus “to go to school” (15% in 2025 compared to 19% in 2024), but *more likely* to use the service “to do business – i.e., banking, etc.” (12%, up from 6% in 2024).

Table 10 – Key Reasons for Travelling on Metro Services in 2025
(Percentage of passengers in each demographic group)*

Demographic Group	To go shopping	To go to work	Visit friends or relatives	Health or welfare	To go to school	Entertainment or performances	To do business	Sport or recreation	To go to University or TAFE
Total	38	37	22	18	15	13	12	10	9
<i>Gender</i>									
Male	33	38	22	18	16	15	11	11	9
Female	43	37	22	18	14	11	14	9	9
<i>Age</i>									
14-19 years	27	21	25	7	60	10	8	12	13
20-24 years	19	55	14	2	8	6	11	8	26
25-34 years	36	64	13	13	6	9	10	9	17
35-44 years	31	66	15	13	6	10	15	6	3
45-54 years	42	46	24	29	4	12	17	7	5
55-69 years	54	28	23	27	0	17	13	13	1
70 years or over	53	5	34	33	0	21	15	12	0
<i>Region</i>									
Hobart	36	42	22	17	16	13	7	10	8
Launceston	45	25	27	26	12	16	27	9	12
Burnie	43	26	11	9	17	3	25	11	6
<i>Fare Type</i>									
Adult fare	30	67	18	13	2	11	8	8	3
Adult concession	54	24	26	30	4	15	20	10	4
Student/ child	22	22	21	4	52	10	6	14	26

*Percentages do not sum to 100 as respondents were able to give multiple responses.

Females (43%) were *more likely* than males (33%) to travel on a bus “to go shopping”.

Older respondents 55 years or over (53%) were *more likely* to report travelling on the bus “to go shopping” or for “health and welfare” (53%). As to be expected, respondents in the youngest demographic group were significantly *more likely* to travel on a Metro bus “to go to school” (60%). Respondents travelling “to go to work” were primarily in the 20 to 24 (55%), 25 to 34 (64%), and 35 to 44 years (66%) age groups.

Respondents in Hobart were *more likely* to travel by bus “to go to work” (42%), whereas residents in Launceston (27%) and Burnie (25%) were *more likely* to use the service “to do business”.

Regarding fare type, respondents on a concession fare were *more likely* to report using a bus “to go shopping” (54%), “health or welfare” (30%), or “to do business” (20%). Those paying a full adult fare were *more likely* to travel on a bus “to go to work” (67%), while those on a student or child fare were *more likely* to “go to school” (52%) or “university or TAFE” (26%).

2.3 Access to a Motor Vehicle

All respondents were asked:

Do you have a motor vehicle, or access to one?

**Table 11 – Access to a Motor Vehicle in 2025
(Percentage of respondents)**

Demographic Group	Yes	No
Total	45	55
<i>Gender</i>		
Male	51	49
Female	39	60
<i>Age</i>		
14-19 years	39	61
20-24 years	42	58
25-34 years	47	51
35-44 years	54	46
45-54 years	42	57
55-69 years	51	49
70 years or over	41	59
<i>Region</i>		
Hobart	47	52
Launceston	40	60
Burnie	36	60
<i>Fare Type</i>		
Adult fare	61	39
Adult concession	37	62
Student/ child	36	64

*Percentages do not sum to 100 due to rounding and the "unsure" value not being included in this table.

In 2025, over half of the respondents reported “no, they did not have a motor vehicle or access to one” (55%). This is comparable to 2024 results (59%).

According to fare type, those on an adult full fare were *more likely* to have access to a vehicle (61%) than adults on concession fare (37%) or on a student/child fare (36%).

2.4 Benefits of Travelling on Metro Services

All respondents were asked:

Why do you choose to catch the bus?

**Table 12 – Benefits of Travelling on Metro Services
(Percentage of respondents)***

Benefits of Travelling on Metro Services	2025 Percentage (n=597)
Convenience – easy to access/ good route/ good availability	55
Only form of accessible transport	52
Cost concerns – parking at the destination and/or driving is too expensive	32
Climate change concerns/ better for the environment	5
Capability – No license/car or other options	2
No access to car / vehicle	1
Preference for bus travel	1
Safety	1
Avoid traffic/parking [†]	0
General necessity/ no other option [†]	0

*Percentages do not sum to 100 as respondents were able to give multiple responses.

[†]In total: n=1 respondent mentioned "avoiding traffic/parking", and "General necessity/ no other option".

In 2025, over half of respondents reported they choose to catch the bus because it was “convenient – easy to access/ good route/ good availability” (55%). This was followed by it being the “only form of available transport” (52%) and “cost concerns – parking at the destination and/or driving is too expensive” (32%).

Those aged 14 to 19 were *more likely* to state it was the “only form of available transport” (66%) for them which correlates with the “student fare type” (67%) and secondary school students (72%). Those on a full adult fare were *more likely* to mention “cost concerns – parking at the destination and/or driving is too expensive” (40%).

Regionally, Hobart respondents were significantly *more likely* to mention “convenience” (64%) and “cost concerns” (36%), whereas respondents in Burnie were *more likely* to mention it was the “only form of available transport” for them (67%).

Those who did not have access to a vehicle (83%) were *more likely* to say it was the “only form of available transport” while those who had access mentioned the convenience (67%) and ‘cost concerns’ (53%).

Section Three – Satisfaction with Metro Tasmania

3.1 Satisfaction with Metro Tasmania’s Passenger Transport

All respondents were read out the following statement:

I would now like to ask how satisfied you are with the network Metro Tasmania is contracted to operate. On a scale from 1 to 5 where 1 is “very dissatisfied” and 5 is “very satisfied”, how satisfied are you with...

Table 13 – Satisfaction with Metro Tasmania’s Passenger Transport in 2024 and 2025
(Percentage of respondents)*

Network Elements	Level of Satisfaction (n=597)															
	Very satisfied		Satisfied		Neither satisfied nor dissatisfied		Dissatisfied		Very dissatisfied		Unsure		TOTAL SATISFIED		TOTAL DISSATISFIED	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
The cost to use the service	52	68 ↑	30	22 ↓	13	7	3	2 ↓	1	1 ↓	2	0	82	91 ↑	4	2
The bus route coverage	34	49 ↑	38	31	17	14 ↓	8	4	2	1	1	1	72	80 ↑	10	5
The directness of the route	35	48 ↑	41	33 ↓	17	15 ↓	4	3 ↓	1	1	1	0	76	81	6	4
The length of time it takes to travel	31	44 ↑	42	38	20	15	6	3	1	1	0	0	73	82 ↑	7	4
The operating hours of the services	24	39 ↑	34	31	22	19	12	6	4	2	4	3	58	71 ↑	16	8 ↓
The ease of transfers between services	21	38 ↑	33	31	23	14 ↓	7	4	1	1	15	12	54	69 ↑	8	5
The frequency of the services	18	35 ↑	34	33	30	22 ↓	13	6	4	3	2	0	52	68 ↑	17	9

*Percentages may not sum to 100 due to rounding.

↑↓ Significant between years at a 95% confidence level

Overall, satisfaction with Metro Tasmania’s passenger transport had significantly declined from 2021 to 2023 but picked up again in 2024 and 2025.

The largest increases were seen across “cost to use the service” (80% in 2021, down to 67% in 2023, up to 82% in 2024 and up to 91% in 2025) and “the bus route coverage” (71% in 2021, down to 61% in 2023, to 72% in 2024 and up to 80% in 2025).

In 2025, respondents were most likely to be *satisfied at some level* with “the cost to use the service” (a combined total of 91%) and “the length of time it takes to travel” (82%).

The tables below (Tables 14-21) show by demographic group the combined total percentages of those respondents in 2025 who were satisfied *at some level* or *dissatisfied at some level* with each of the elements regarding Metro Tasmania’s passenger transport.

**Table 14 – Combined Satisfaction/Dissatisfaction in 2025
with “The Cost to Use the Service”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don’t know/ unsure
2	91	4	7	0
<i>Gender</i>				
Male	90	3	6	0
Female	92	1	7	0
<i>Age</i>				
14-19 years	84	3	11	1
20-24 years	93	0	7	0
25-34 years	91	3	6	0
35-44 years	84	4	13	0
45-54 years	95	3	2	0
55-69 years	96	0	4	0
70 years or over	94	1	4	0
<i>Region</i>				
Hobart	89	2	8	0
Launceston	96	1	3	0
Burnie	92	2	6	0
<i>Fare Type</i>				
Adult fare	93	2	6	0
Adult concession	92	2	6	0
Student/ child	86	3	10	1

*Percentages may not sum to 100 due to rounding.

Respondents who were aged 55 or older (79%), or a resident of Launceston (81%), or used adult concession fares (76%) were *more likely* to be *very satisfied*.

**Table 15 – Combined Satisfaction/Dissatisfaction in 2025
with “The Directness of the Route”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	81	4	15	0
<i>Gender</i>				
Male	81	5	14	0
Female	81	3	16	0
<i>Age</i>				
14-19 years	68	5	27	0
20-24 years	84	3	12	0
25-34 years	79	4	17	0
35-44 years	87	4	9	0
45-54 years	80	6	14	0
55-69 years	91	1	7	1
70 years or over	83	5	12	0
<i>Region</i>				
Hobart	79	4	17	0
Launceston	87	5	9	0
Burnie	83	1	16	0
<i>Fare Type</i>				
Adult fare	85	2	13	0
Adult concession	83	5	13	0
Student/ child	72	6	22	0

*Percentages may not sum to 100 due to rounding.

Respondents aged 14 to 19 were *more likely* to give a neutral response (27%) and *less likely* to give a satisfied response (68%).

**Table 16 – Combined Satisfaction/Dissatisfaction in 2025
with “The Length of Time it Takes to Travel”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	82	4	14	0
<i>Gender</i>				
Male	82	4	14	0
Female	81	5	14	1
<i>Age</i>				
14-19 years	64	10	24	1
20-24 years	89	5	6	0
25-34 years	78	4	17	0
35-44 years	83	3	14	0
45-54 years	83	0	17	0
55-69 years	94	1	4	1
70 years or over	87	4	9	0
<i>Region</i>				
Hobart	80	5	15	0
Launceston	86	2	13	0
Burnie	86	5	9	0
<i>Fare Type</i>				
Adult fare	84	2	14	0
Adult concession	86	3	11	0
Student/ child	71	9	19	1

*Percentages may not sum to 100 due to rounding.

Respondents aged 14 to 19 (64%) and those on a student / child fare (71%) were *less likely* to be satisfied with “the length of time it takes to travel”.

**Table 17 – Combined Satisfaction/Dissatisfaction in 2025
with “The Bus Route Coverage”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	80	5	14	1
<i>Gender</i>				
Male	82	5	13	1
Female	78	5	16	1
<i>Age</i>				
14-19 years	70	9	19	1
20-24 years	86	3	11	0
25-34 years	75	3	21	1
35-44 years	84	5	10	1
45-54 years	79	5	15	1
55-69 years	85	3	9	3
70 years or over	86	2	11	0
<i>Region</i>				
Hobart	78	6	16	1
Launceston	84	3	12	1
Burnie	88	1	9	2
<i>Fare Type</i>				
Adult fare	84	3	12	1
Adult concession	79	4	15	2
Student/ child	76	8	16	0

*Percentages may not sum to 100 due to rounding.

Overarching satisfaction was not significantly different across demographic groups for “the bus route coverage”.

Respondents aged 14 to 19 were *more likely* to be *very satisfied* with the bus route coverage.

**Table 18 – Combined Satisfaction/Dissatisfaction in 2025
with “The Operating Hours of the Services”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	71	8	19	3
<i>Gender</i>				
Male	70	8	19	4
Female	71	8	18	2
<i>Age</i>				
14-19 years	62	11	22	5
20-24 years	65	13	22	0
25-34 years	69	10	21	0
35-44 years	77	6	16	2
45-54 years	71	9	19	1
55-69 years	74	4	17	5
70 years or over	79	4	12	5
<i>Region</i>				
Hobart	73	7	19	2
Launceston	66	8	17	8
Burnie	66	18	15	2
<i>Fare Type</i>				
Adult fare	73	7	18	2
Adult concession	73	7	16	4
Student/ child	62	11	24	3

*Percentages may not sum to 100 due to rounding.

**Results should be viewed with caution due to the small sample size.

Residents of Burnie (18%)** were *more likely* to be *dissatisfied at some level* with "the operating hours of the services".

**Table 19 – Combined Satisfaction/Dissatisfaction in 2025
with “The Ease of Transfers between Services”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	69	5	14	12
<i>Gender</i>				
Male	66	5	14	15
Female	71	5	14	10
<i>Age</i>				
14-19 years	68	9	19	5
20-24 years	61	3	24	12
25-34 years	75	5	11	9
35-44 years	72	5	6	17
45-54 years	68	3	20	9
55-69 years	72	3	9	16
70 years or over	64	2	11	22
<i>Region</i>				
Hobart	73	5	15	8
Launceston	51	4	14	32
Burnie	79	6	8	6
<i>Fare Type</i>				
Adult fare	71	2	14	14
Adult concession	69	5	12	14
Student/ child	66	7	20	7

*Percentages may not sum to 100 due to rounding.

Hobart residents were *more likely* to be satisfied with "the ease of transfers between services" (73%) compared to Launceston residents (51%). Launceston residents were also *more likely* to be unsure about this (32%).

**Table 20 – Combined Satisfaction/Dissatisfaction in 2025
with “The Frequency of the Services”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	68	9	22	0
<i>Gender</i>				
Male	69	10	21	0
Female	67	9	24	1
<i>Age</i>				
14-19 years	61	13	25	1
20-24 years	61	8	31	0
25-34 years	66	13	21	0
35-44 years	77	8	15	0
45-54 years	68	9	22	1
55-69 years	69	3	28	0
70 years or over	77	9	13	1
<i>Region</i>				
Hobart	67	10	23	0
Launceston	66	9	26	0
Burnie	81	9	8	2
<i>Fare Type</i>				
Adult fare	69	9	22	1
Adult concession	69	8	22	1
Student/ child	65	12	23	0

*Percentages may not sum to 100 due to rounding.

Overarching satisfaction was not significantly different across demographic groups for “the frequency of services”.

Table 21 – Combined Satisfaction with Metro Tasmania’s Passenger Transport by Region in 2025
(Percentage of respondents)

Network Elements	2025 Percentage (n=597)		
	TOTAL SATISFIED		
	Hobart	Launceston	Burnie
The cost to use the service	89	96	92
The bus route coverage	78	84	88
The directness of the route	79	87	83
The length of time it takes to travel	80	86	86
The operating hours of the services	73	66	66
The ease of transfers between services	73	51	79
The frequency of the services	67	66	81

Burnie

Burnie respondents did not express a higher level of satisfaction across any elements.

Launceston

Launceston respondents did not express a higher level of satisfaction across any elements. They were *less likely* to be satisfied with "the ease of transfers between services" (51%).

Hobart

Hobart respondents did not express higher level of satisfaction across any elements.

3.2 Satisfaction with the Service Provided by Metro Tasmania

3.2.1 Satisfaction with the Service Provided by Metro Tasmania

All respondents were read out the following statement:

I would now like to ask how satisfied you are with the service Metro Tasmania provides. On a scale from 1 to 5 where 1 is “very dissatisfied” and 5 is “very satisfied”, how satisfied are you with...

**Table 22 – Satisfaction with Services Provided by Metro Tasmania in 2024 and 2025
(Percentage of respondents)***

Service Elements	Level of Satisfaction (n=597)															
	Very satisfied		Satisfied		Neither satisfied nor dissatisfied		Dissatisfied		Very dissatisfied		Unsure		TOTAL SATISFIED		TOTAL DISSATISFIED	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
The service provided by bus drivers	42	63 ↑	35	23 ↓	15	11	5	2	2	1	1	1	77	86 ↑	7	3
Personal safety	28	50 ↑	40	28 ↓	20	16	8	5	3	1	1	1	68	78 ↑	11	6
The reliability of the services	21	34 ↑	39	34	26	25	11	6	2	1	2	0	59	68 ↑	13	7
The services provided by Metro Tasmania overall	28	43 ↑	41	35 ↓	23	18	5	2	1	1	2	1	69	78 ↑	6	3

*Percentages may not sum to 100 due to rounding.

↑↓ Significant between years at a 95% confidence level.

Overall satisfaction with 'the services provided by Metro Tasmania' and other service elements increased slightly in 2025 from 2024. The largest increase was seen for overall satisfaction (from 68% in 2024 to 78% in 2025), and 'the service provided by bus drivers' (up from 77% in 2024 to 86% in 2025). The 'service provided by bus drivers' also had the highest *very satisfied* score of 63%, up significantly from 42% in 2024.

Residents of Burnie were more likely to rate their overall satisfaction as *very satisfied* (63%).

The tables below (Tables 23-27) show by demographic group the combined percentages of those respondents in 2025 who were *satisfied at some level* or *dissatisfied at some level* with each of the elements regarding the services provided by Metro Tasmania.

**Table 23 – Combined Satisfaction/Dissatisfaction in 2025
with “The Service Provided by Bus Drivers”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	86	3	11	1
<i>Gender</i>				
Male	86	3	10	1
Female	85	3	11	1
<i>Age</i>				
14-19 years	78	1	20	1
20-24 years	88	3	9	0
25-34 years	87	5	7	1
35-44 years	85	5	8	2
45-54 years	88	5	7	0
55-69 years	90	2	8	0
70 years or over	86	3	11	0
<i>Region</i>				
Hobart	84	4	13	0
Launceston	93	3	4	0
Burnie	84	1	10	5
<i>Fare Type</i>				
Adult fare	84	5	10	1
Adult concession	86	3	10	0
Student/ child	85	1	14	1

*Percentages may not sum to 100 due to rounding.

**Results should be viewed with caution due to the small sample size.

Respondents aged 14 to 19 were *more likely* to give a neutral rating for “the service provided by bus drivers” (20%)**.

**Table 24 – Combined Satisfaction/Dissatisfaction in 2025
with “Personal Safety”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	78	6	16	1
<i>Gender</i>				
Male	80	6	14	0
Female	76	6	18	1
<i>Age</i>				
14-19 years	79	4	14	2
20-24 years	82	3	13	2
25-34 years	78	9	13	0
35-44 years	69	8	23	0
45-54 years	72	10	18	0
55-69 years	82	2	16	0
70 years or over	81	4	15	0
<i>Region</i>				
Hobart	76	7	17	1
Launceston	88	1	12	0
Burnie	76	5	16	3
<i>Fare Type¹</i>				
Adult fare	79	4	16	1
Adult concession	75	7	17	0
Student/ child	81	5	13	1

*Percentages may not sum to 100 due to rounding.

Over three-quarters (78%) of respondents were satisfied on some level with “personal safety” on Metro vehicles.

There were no notable variations between demographic subgroups.

**Table 25 – Combined Satisfaction/Dissatisfaction in 2025
with “The Reliability of the Services”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	68	7	25	0
<i>Gender</i>				
Male	72	5	23	0
Female	65	9	26	0
<i>Age</i>				
14-19 years	61	10	28	1
20-24 years	53	3	43	0
25-34 years	65	8	26	0
35-44 years	74	6	21	0
45-54 years	64	13	23	0
55-69 years	81	3	17	0
70 years or over	77	4	19	0
<i>Region</i>				
Hobart	67	8	26	0
Launceston	75	3	22	0
Burnie	69	8	21	2
<i>Fare Type</i>				
Adult fare	66	6	28	1
Adult concession	71	7	22	0
Student/ child	67	9	24	0

*Percentages may not sum to 100 due to rounding.

**Results should be viewed with caution due to the small sample size.

Respondents aged 14 to 34 were *more likely* to give a “neutral” rating (31%), while those aged 55 or older were *more likely* to have “some level of satisfaction” (79%) with “the reliability of the services”.

**Table 26 – Combined Satisfaction/Dissatisfaction in 2025
with “The Services Provided by Metro Tasmania Overall”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Don't know/ unsure
Total	78	3	18	1
<i>Gender</i>				
Male	79	2	18	1
Female	78	4	18	1
<i>Age</i>				
14-19 years	70	2	27	2
20-24 years	79	0	17	4
25-34 years	82	4	14	0
35-44 years	79	6	14	0
45-54 years	77	8	15	0
55-69 years	83	0	16	1
70 years or over	81	3	16	0
<i>Region</i>				
Hobart	75	4	20	1
Launceston	85	1	14	0
Burnie	89	0	9	2
<i>Fare Type</i>				
Adult fare	80	4	13	3
Adult concession	80	3	17	0
Student/ child	73	2	26	0

*Percentages may not sum to 100 due to rounding.

Respondents from Burnie (63%) were *more likely* to be *very satisfied* with “the services provided by Metro Tasmania overall”.

**Table 27 – Combined Satisfaction with Services Provided by Metro Tasmania by Region
(Percentage of respondents)**

Service Elements	2025 Percentage (n=597)		
	TOTAL SATISFIED		
	Hobart	Launceston	Burnie
The service provided by bus drivers	84	93	84
Personal safety	76	88	76
The reliability of the services	67	75	69
The services provided by Metro Tasmania overall	75	85	89

Burnie

Burnie respondents expressed a higher level of satisfaction with respect to “the services provided by Metro Tasmania overall” (89%).

Launceston

Launceston respondents expressed higher levels of satisfaction for “the service provided by bus drivers” (93%), “personal safety” (88%), and “reliability of the services” (75%).

Hobart

Hobart respondents did not express higher level of satisfaction across any of the elements and expressed the lowest satisfaction score for “the reliability of the services” (67%).

3.2.2 Reasons for Dissatisfaction with the Services Provided by Metro Tasmania

The small sample of respondents who had stated they were *dissatisfied at some level* with the services provided by Metro Tasmania overall were then asked:

And why are you dissatisfied with services provided by Metro?

**Table 28 – Reasons for Dissatisfaction with Services Provided by Metro
(Percentage of respondents dissatisfied with Metro Tasmania)***

Reasons for Dissatisfaction	2024 Percentage (n=33)	2025 Percentage (n=19)
Buses do not arrive/ leave on time/ irregular bus times/ buses do not turn up/ unreliable	31	69
Changed/ cancelled route	6	16
Buses are not frequent enough/ cuts to services	22	13
General negative comment	4	12
Other passengers behaving inappropriately	8	9
Poor communication/ lack of information	7	9
Customer service/ drivers and/or staff behaving inappropriately	18	6
Costs	3	6
Issues with payments	0	5
Don't know	0	4

*Percentages do not sum to 100 as respondents were able to give multiple responses.

**Results should be interpreted with a high degree of caution due to the small size of the sample.

***Mentions by 3% or less are categorised as 'other'.

In 2025, the predominant reasons given, without prompting, for being *dissatisfied at some level* with the services provided by Metro Tasmania were similar to those reported in 2024. They centred on dissatisfaction with the reliability of buses arriving or running to schedule; changed or cancelled routes; and the frequency of the bus services and cuts to the services.

It is important to note that caution must be exercised when interpreting and comparing the above results due to the very small sample size.

3.3 Personal Safety - Impacts of Anti-social Behaviour

3.3.1 Anti-social Behaviour While Using a Metro Service

In 2023 research round, a new question was added to the survey and continued in subsequent research rounds:

Have you been the subject of, or witnessed, any anti-social behaviour while waiting for or using a Metro bus service?

In 2025, this question was slightly modified, where all respondents were asked:

Have you been the subject of, or witnessed, any anti-social behaviour while using a Metro bus service?

Table 29 – Whether Respondents were the Subject Of, or Witness To, Anti-social Behaviour While Using a Metro Bus Service in 2024 and 2025 (Percentage of each demographic group)*

Demographic Group	Yes		No		Don't know/ unsure	
	2024	2025	2024	2025	2024	2025
Total	43	48	55	51	2	1
<i>Gender</i>						
Male	41	48	58	51	1	1
Female	45	49	53	51	2	0
<i>Age</i>						
14-19 years	40	48 ↑	59	52	1	1
20-24 years	43	54 ↑	55	44 ↓	1	2
25-34 years	54	49	44	51	2	0
35-44 years	34	57 ↑	65	43 ↓	1	0
45-54 years	50	53	47	47	2	0
55-69 years	48	49	48	50	3	1
70 years or over	36	35	63	65	2	0
<i>Region</i>						
Hobart	47	50	52	49	2	1
Launceston	35	41	63	59	2	0
Burnie	32	51 ↑	66	49 ↓	2	0
<i>Fare Type</i>						
Adult fare	43	47	56	53	1	0
Adult concession	44	52 ↑	54	47	3	1
Student/ child	40	45	58	55	1	0

*Percentages may not sum to 100 due to rounding.

↑↓ Significant between years at a 95% confidence level.

Just under half of respondents had been the subject of, or witness to, anti-social behaviour while using a Metro bus service (48%). While all areas had increases of varying degrees, this was highest among those living in Burnie (51%), up significantly from the previous wave (32% in 2024).

3.3.2 Anti-social Behaviour Reducing Frequency of Bus Usage

A new question was added to the survey in the 2023 research round and continued in 2024 and 2025, where all respondents were asked:

Thinking of your personal safety, has the reporting, or your witnessing, of anti-social behaviour reduced how often you catch the bus?

**Table 30 – Reduction of Bus Usage Frequency as a Result of Being the Subject Of, or Witnessing Anti-social Behaviour in 2024 and 2025
(Percentage of each demographic group)***

Demographic Group	Yes		No		Don't know/ unsure	
	2024	2025	2024	2025	2024	2025
Total	9	9	88	88	3	2
<i>Gender</i>						
Male	8	7	90	91	2	2
Female	10	11	87	86	3	3
<i>Age</i>						
14-19 years	7	8	88	90	5	2
20-24 years	6	12	91	82 ▼	3	6
25-34 years	6	9	86	91	8	1
35-44 years	8	17 ▲	90	77 ▼	1	5
45-54 years	9	9	90	89	1	1
55-69 years	18	5 ▼	82	94 ▲	-	1
70 years or over	7	10	93	87	-	3
<i>Region</i>						
Hobart	8	11	89	88	3	1
Launceston	13	8	85	85	2	7
Burnie	6	3	92	95	2	2
<i>Fare Type</i>						
Adult fare	11	10	87	88	2	1
Adult concession	9	10	90	86	1	4
Student/ child	6	7	88	92	6	1

*Percentages may not sum to 100 due to rounding.

Significant between years at a 95% confidence level.

A small, but not insignificant, proportion of respondents stated they had reduced their bus use as the result of anti-social behaviour (9% in 2025, same as in 2024).

There were no statistically significant variations to be noted here across the demographic subgroups.

3.3.3 Reduction in Bus Trips per Week due to Anti-social Behaviour

A new question was added to the survey in the 2023 research round and continued in 2024 and 2025, where respondents who had reduced their bus usage frequency due to anti-social behaviour were asked:

Would your reduction in bus trips per week be approximately...?

Table 31 – Approximate Reduction of Bus Usage Frequency Per Week due to Being the Subject Of or Witnessing Anti-social Behaviour in 2024 and 2025 (Percentage of respondents who had reduced bus usage frequency)*

Trip reduction	2024 Percentage (n=54)	2025 Percentage (n=57)
One less trip	33	39
Two less trips	27	18
Three less trips	10	1
Four less trips	-	-
It's circumstantial	-	-
Less overall	-	-
Stopping bus trips altogether	-	-
Other	20	27
Unsure	10	15

*Percentages may not sum to 100 due to rounding.

↑↓ Significant between years at a 95% confidence level.

On average, among those who stated they had reduced the number of trips, bus usage was reduced by one to two trips (39% and 18% respectively, 57% combined).

3.4 Satisfaction with Metro Vehicles

All respondents were read out the following statement:

Thinking about Metro’s vehicles, on a scale from 1 to 5 where 1 is “very dissatisfied” and 5 is “very satisfied”, how satisfied are you with...?

Table 32 – Satisfaction with Metro Vehicles in 2024 and 2025
(Percentage of respondents)*

Aspects of Metro’s Vehicles	Level of Satisfaction (n=600)															
	Very satisfied		Satisfied		Neither satisfied nor dissatisfied		Dissatisfied		Very dissatisfied		Unsure		TOTAL SATISFIED		TOTAL DISSATISFIED	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Comfort of the ride	25	49 ↑	47	33 ↓	21	13 ↓	5	3	1	1	1	0	72	82 ↑	6	4
Cleanliness of the bus	25	46 ↑	38	31	28	18 ↓	7	4	1	1	1	0	63	77 ↑	8	5

*Percentages may not sum to 100 due to rounding.

↑↓ Difference between years at a 95% confidence level.

Respondents' overall satisfaction rating of the "comfort of the ride" increased significantly in 2025 (82%) from 2024 (72%), as did their satisfaction with the "cleanliness of the bus" (up to 77% in 2025 from 63% in 2024). The percentage of respondents who were *very satisfied* for both these aspects increased significantly ("comfort of the ride" up to 49% from 25% in 2024 and "cleanliness of the bus" up to 46% in 2025 from 25% in 2024) while the *satisfied* rating decreased significantly for "comfort of the ride" down to 33% in 2025 from 47% in 2024.

In 2025, respondents in Burnie were *more likely* to be *very satisfied* with the "comfort of the ride" (69%).

Looking at the "cleanliness of the bus", respondents who were *more likely* to be *very satisfied* include: residents from Burnie (68%) and those using a full adult fare (55%). Residents of Launceston were *more likely* to be *satisfied at some level* with the "cleanliness of the bus" (88%).

Those *less likely* to be *satisfied at some level* with the "cleanliness of the bus" include residents of Hobart (73%); those aged 14 to 19 (61%); and those on a student / child fare (64%).

The tables below (Tables 33-35) show by demographic group the combined percentages of those respondents in 2025 who were *satisfied at some level* or *dissatisfied at some level* with each of the aspects regarding Metro vehicles.

**Table 33 – Combined Satisfaction/Dissatisfaction in 2025
with the “Comfort of the Ride”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Unsure/ don't know
Total	82	4	13	0
<i>Gender</i>				
Male	81	5	14	0
Female	84	3	12	1
<i>Age</i>				
14-19 years	73	6	21	1
20-24 years	89	2	9	0
25-34 years	85	3	12	0
35-44 years	87	1	12	0
45-54 years	72	9	18	1
55-69 years	90	3	7	1
70 years or over	87	3	11	0
<i>Region</i>				
Hobart	80	4	15	0
Launceston	89	3	8	0
Burnie	86	7	6	1
<i>Fare Type</i>				
Adult fare	85	4	12	0
Adult concession	83	5	12	1
Student/ child	78	3	18	1

*Percentages may not sum to 100 due to rounding.

Over four-fifths of respondents (82%) indicated they were satisfied on some level with “comfort of the ride”.

Residents in Burnie were *more likely* to be *very satisfied* with the “comfort of the ride” (69%).

**Table 34 – Combined Satisfaction/Dissatisfaction in 2025
with the “Cleanliness of the Bus”
(Percentage of each demographic group)***

Demographic Group	TOTAL SATISFIED	TOTAL DISSATISFIED	Neither satisfied nor dissatisfied	Unsure/ don't know
Total	77	5	18	0
<i>Gender</i>				
Male	81	2	17	0
Female	72	8	20	0
<i>Age</i>				
14-19 years	61	13	26	0
20-24 years	81	2	18	0
25-34 years	78	3	19	0
35-44 years	83	1	16	0
45-54 years	75	7	19	0
55-69 years	81	3	15	0
70 years or over	88	1	11	0
<i>Region</i>				
Hobart	73	6	21	0
Launceston	88	1	11	0
Burnie	81	6	12	0
<i>Fare Type</i>				
Adult fare	82	3	15	0
Adult concession	80	4	16	0
Student/ child	64	10	26	0

*Percentages may not sum to 100 due to rounding.

Residents from Burnie (68%) and those using a full adult fare (55%) were *more likely* to be very satisfied with “the cleanliness of the bus”.

Residents of Launceston were *more likely* to be satisfied at some level with the "cleanliness of the bus" (88%).

Residents of Hobart (73%); those aged 14 to 19 (61%); and those on a student / child fare (64%) were *less likely* to be satisfied at some level with this element.

**Table 35 – Combined Satisfaction with Metro Vehicles by Region
(Percentage of respondents)**

Aspects of Metro’s Vehicles	2025 Percentage (n=597)		
	TOTAL SATISFIED		
	Hobart	Launceston	Burnie
The comfort of the ride	80	89	86
The cleanliness of the bus	73	88	81

In 2025, Launceston residents had the highest satisfaction overall for both “the comfort of the ride” (89%) and “the cleanliness of the bus” (88%). Hobart residents were *less likely* to be satisfied with “the cleanliness of the bus” (73%).

Section Four – Complaints to Metro Tasmania

4.1 Satisfaction with the Time Taken to Respond to Complaints

All respondents were firstly asked:

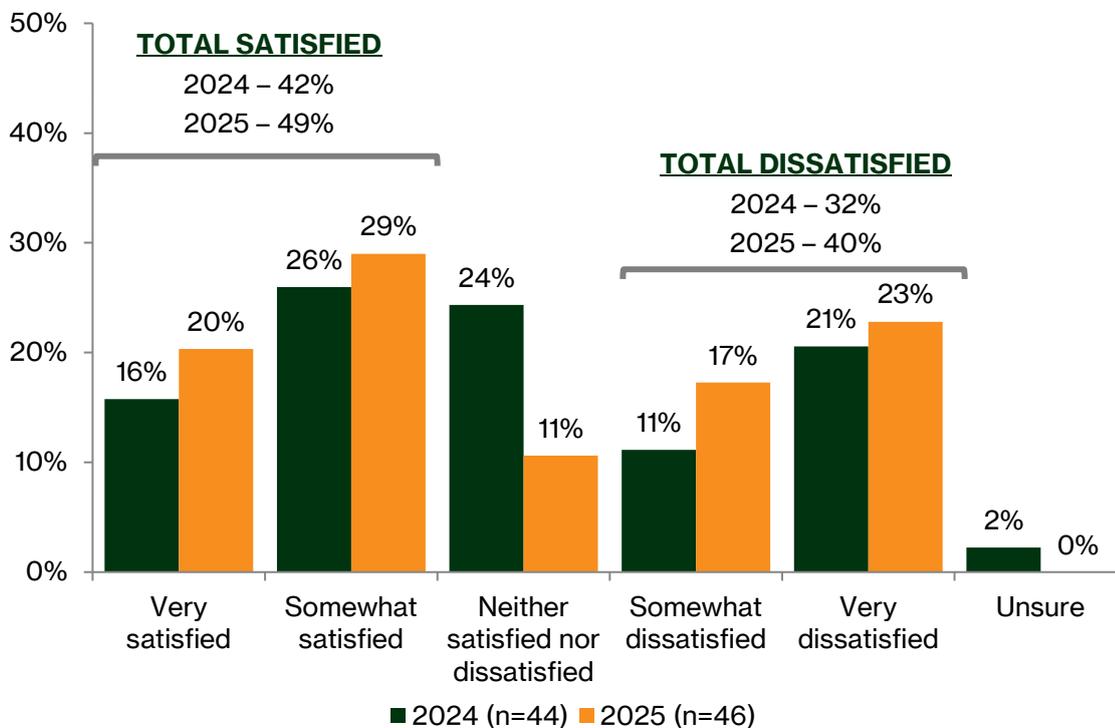
Have you made a complaint to Metro about the bus service in the last 12 months?

Approximately 1 in 12 respondents in the latest research round confirmed they had made a complaint to Metro about the bus service in the last 12 months (8% currently compared to 7% in 2024).

Respondents who had made a complaint were then asked:

How satisfied were you with the time it took to respond to your complaint? Are you...

**Chart 1 – Satisfaction with the Time Taken to Respond to Complaints
(Percentage of respondents who had made a complaint to Metro)***



*Percentages may not sum to 100 due to rounding.

Significant difference between years at a 95% confidence level.

Among the respondents in 2025 who had made a complaint to Metro about the bus service in the last 12 months, almost half were *more likely* to be satisfied to some degree with the time it took to respond to their complaint (49% in total).

There was a significant decrease in respondents who were *neither satisfied nor dissatisfied* (11% in 2025, down from 24% in 2024).

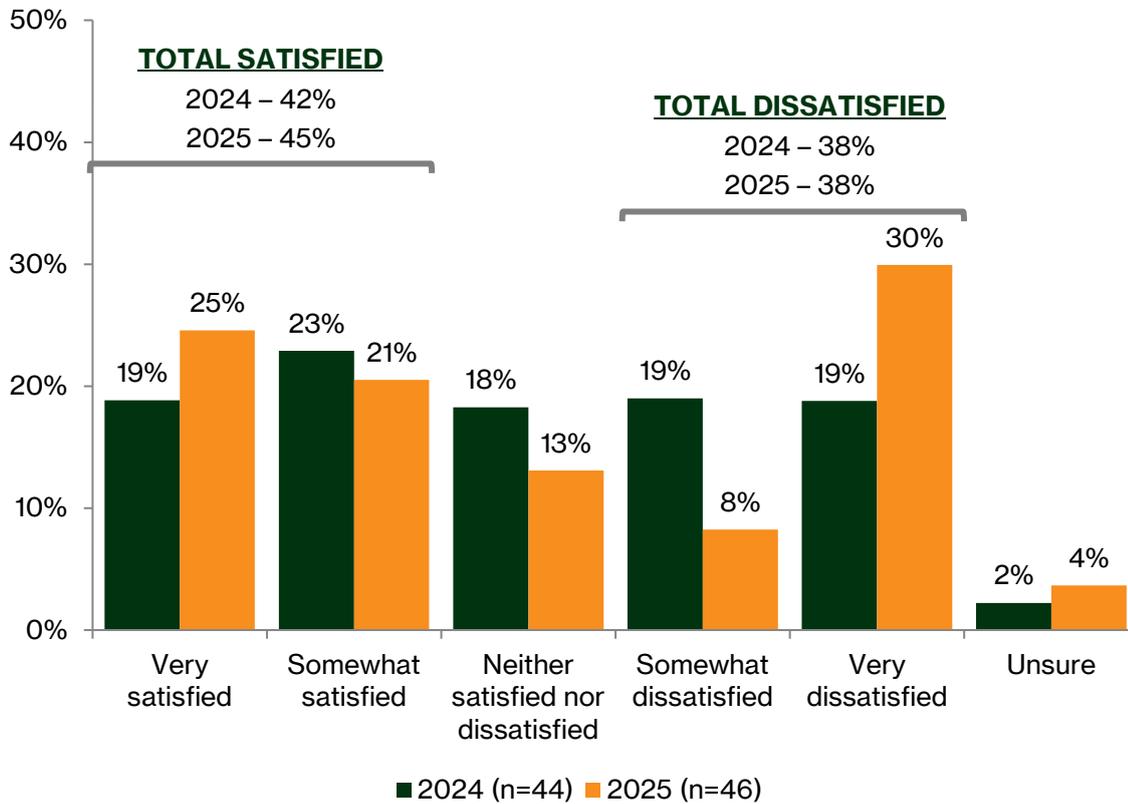
Two-fifths of respondents were *more likely* to be *dissatisfied on some level* in 2025, up from 32% in 2024.

4.2 Satisfaction with How the Complaint was Handled and Resolved

The same respondents who had made a complaint were then asked:

How satisfied were you with the way the complaint was handled and resolved? Are you...

**Chart 2 – Satisfaction with How the Complaint was Handled and Resolved
(Percentage of respondents who had made a complaint to Metro)***



*Percentages may not sum to 100 due to rounding.

↑↓ Significant difference between years at a 95% confidence level.

In 2025, just over four in ten of the respondents who had made a complaint to Metro about the bus service were satisfied to some degree with the way the complaint was handled and resolved (45% in total). Of these, the greater proportion currently stated they were *very satisfied* (25%).

Nearly four in ten respondents were *dissatisfied to some degree* (38% in total), the larger proportion of whom were *very dissatisfied* (30%).

Respondents who stated they were *dissatisfied at some level* with the way the complaint was handled and resolved were asked why they were dissatisfied.

The responses have been recorded verbatim below.

Verbatim Responses
because complaint was not resolved with no reason why
Blamed me for the situation
Called and got no response bus driver shut the door on his leg and just laughed and drove off
Didn't reply to my contact
I had an issue with the temperature on the bus and complained not sure if the issue is resolved
It wasn't handled
It wasn't resolved
More responses time nothing changed
No contact back and no Action made about complaint
No response
Not adequate response
Nothing was done about the situation
Nothing happened to resolve
Still haven't responded
The bus often runs early so I miss it, it's certain bus drivers so that's not very nice, this needs to be addressed, certain consistent drivers are rude
The complaint went to manage but no reply since, they answered quickly though by phone, the person was helpful
Wasn't resolved
Yes, not enough was done.

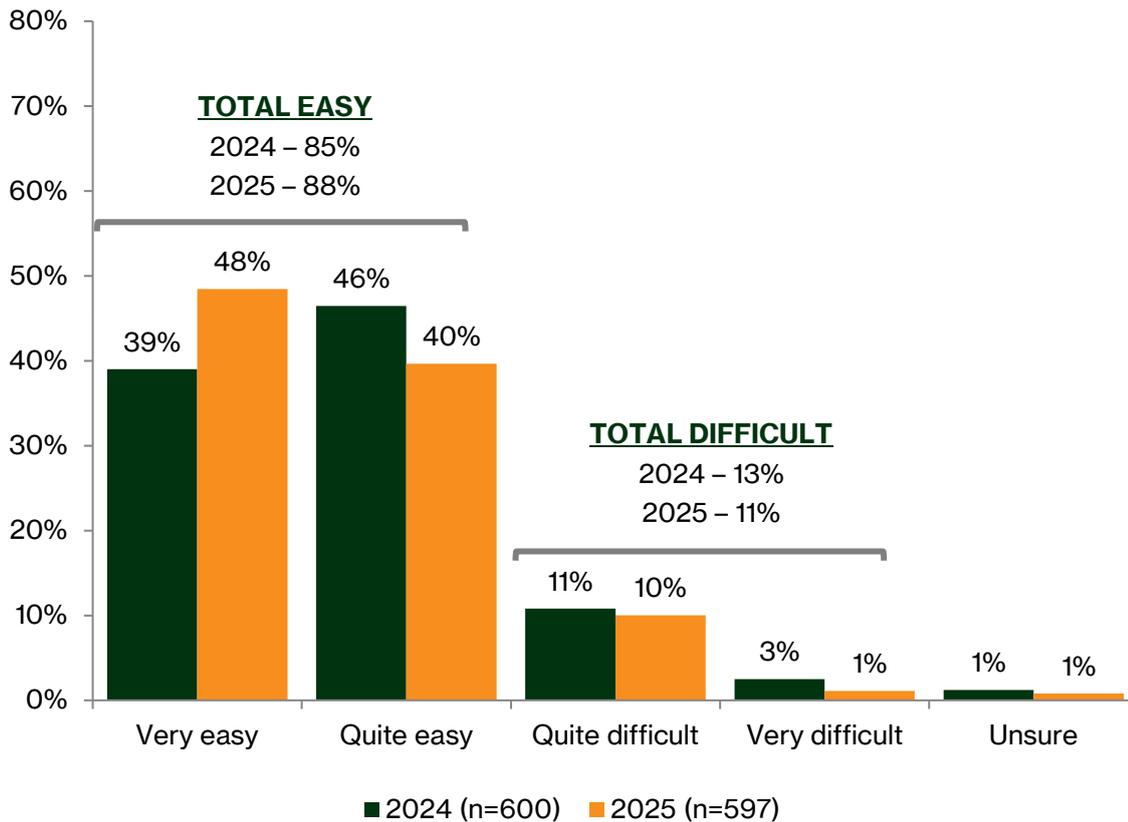
Section Five – Comprehension of Metro Customer Information

5.1 Accessibility of Timetables and Routes

All respondents were asked:

Thinking about Metro’s customer information, such as timetables, routes etc., how easy do you find it to access? Is it...

**Chart 3 – Accessibility of Metro’s Customer Information
(Percentage of respondents)***



*Percentages may not sum to 100 due to rounding.

↑↓ Significant difference between years at a 95% confidence level.

In 2025, the majority of respondents stated they found Metro’s customer information, such as timetables and routes, *easy to access to some degree* (88%).

Those aged 70 and over (77%), or with a disability (77%) were *less likely* to find it *easy to access to some degree*.

Those who were *more likely* to find it *difficult to access* include respondents who used the adult concession fare (16%) or were retired or on a pension (19%).

**Table 36 – Accessibility of Metro's Customer Information in 2025 by Region
(Percentage of respondents by region)***

Ease of access	Total (n=597)	Hobart (n=426)	Launceston (n=108)	Burnie (n=63)
Very easy	48	46	52	61
Quite easy	40	42	36	32
Very easy/ quite easy	88	88	87	92
Quite difficult	10	11	11	5
Very difficult	1	1	1	2
Quite difficult/ very difficult	11	12	12	6
Unsure	1	1	1	2

*Percentages may not sum to 100 due to rounding.

There were no statistically significant variations to be noted here across the demographic subgroups.

5.2 Contacts and Queries with Metro in Past 12 Months

All respondents were asked:

Have you contacted Metro in the last 12 months?

Nearly nine-tenths of respondents confirmed they did not contact Metro over the past 12 months (89%). One in ten respondents (10%) indicated they did, while a further 1% were unsure.

5.2.1 Preferred Method of Contacting Metro

Respondents who confirmed they had contacted Metro were then asked:

How did you contact them?

Table 37 – Preferred Method of Contacting Metro in 2025
(Percentage of respondents who had contacted Metro over past 12 months)*

Methods of Contact	2025 Percentage (n=63)
Contacted the Metro Hotline	59
Visited a Metro Shop	24
Email or customer contact form	14
Other (Specify)	3

*Percentages may not sum to 100 due to rounding.

In 2025, the most preferred method of contacting Metro was by having “contacted the Metro Hotline” (59%).

5.2.2 Query Resolution

Respondents who confirmed they had contacted Metro were then asked:

Was your query resolved on your first contact?

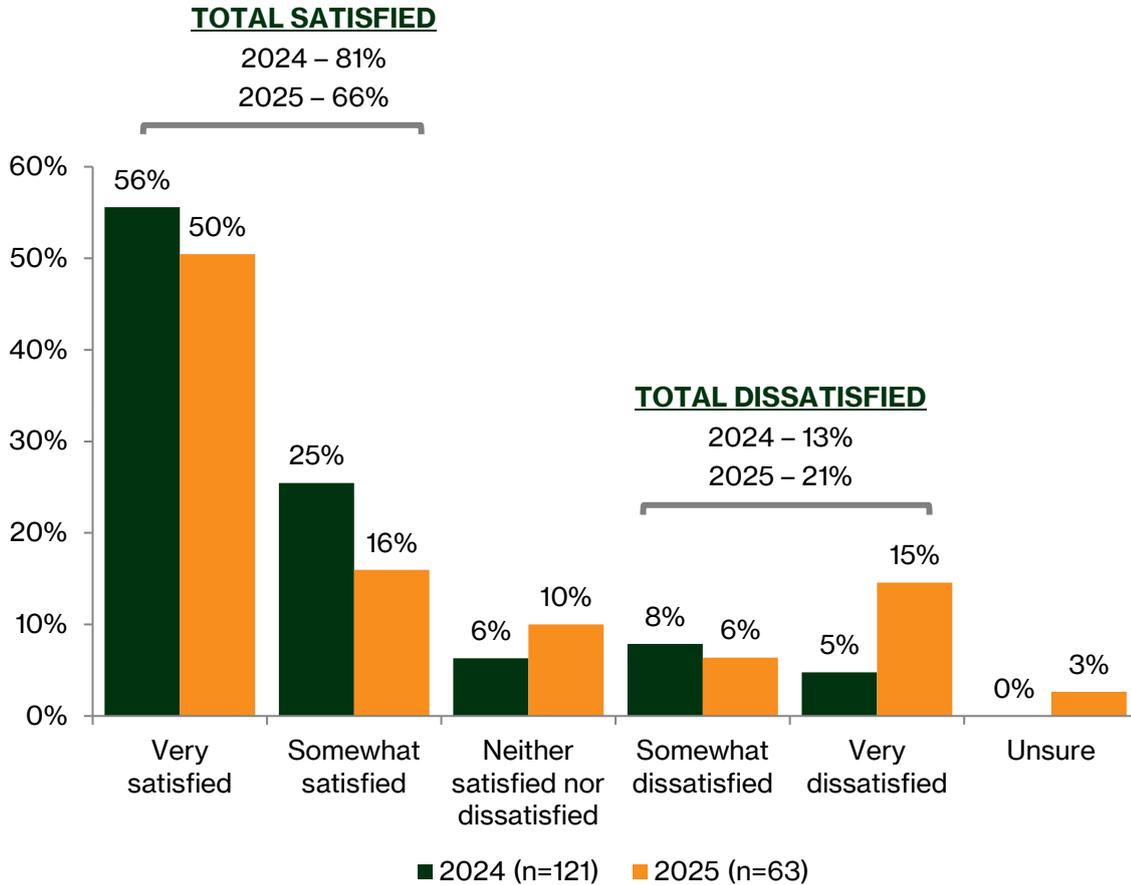
Seven in ten (70%) of respondents indicated their queries were resolved on their first contact.

5.2.3 Satisfaction with Level of Service Provided

Respondents who confirmed they had contacted Metro were then asked:

How satisfied were you with the level of service provided? Were you...

**Chart 4 – Satisfaction With Level of Service Provided
(Percentage of respondents who contacted Metro over past 12 months)***



*Percentages may not sum to 100 due to rounding.

In 2025, the majority of respondents stated their satisfaction with the level of service provided by Metro in response to their queries dropped to 66% from (81% in 2024) while dissatisfaction rose to 21% from 13% in 2024.

5.3 Frequency Visit Metro Website

All respondents were asked:

How often to do you visit the Metro website? Would you say...

Table 38 – Frequency visit Metro website in 2025
(Percentage of respondents who had visited the Metro website over past 12 months)*

Methods of Contact	2025 Percentage (n=597)
At least a couple of times a week	13
Once a week	11
Once a fortnight	11
Monthly	13
Every six months	5
Once a year	5
Less than once a year	6
Never	36

*Percentages may not sum to 100 due to rounding.

**Results should be viewed with caution due to the small sample size.

In 2025, females and respondents aged 14 to 34 (18% each) and those on a student / child fare (20%)** were *more likely* to visit the Metro website at least a couple of times a week.

Those aged 70 or older (56%); residents of Launceston (51%); those who were retired or on a pension (48%); respondents without access to a motor vehicle (45%); and those using an adult concession fare (43%) were *more likely* to indicate they never visited the website.

5.4 Use Metro’s Real Time Live Tracking

Starting in 2025, all respondents were asked:

Do you use Metro’s real time live tracking?

Seven out of ten respondents (70%) indicated they do not use Metro’s real time tracking.

Respondents who were student / child fare users (34%); aged 14 to 24 (33%); residents of Hobart (25%); or not having a disability (24%) were more likely to use it.

Those who were residents of Burnie (94%); aged 70 or older (89%); aged 45 to 54 (88%); retired or on a pension (88%); having a disability (88%); or adult concession fare users (86%); were more likely to not use it.

5.4.1 Reasons Not Use Metro’s Real Time Live Tracking

Those respondents who did not use Metro’s real time live tracking were asked:

Why don’t you use Metro’s real time live tracking?

**Table 39 – Reasons did not use Metro’s real time live tracking in 2025
(Percentage of respondents who did not use Metro’s real time live tracking)***

Methods of Contact	2025 Percentage (n=468)
Unaware of it	54
No need for it	35
Unable to (No phone, computer, etc.)	10
Poor quality (Too buggy, not functioning, etc.)	4
App Quality/ Not Accurate	1
Use Google Maps	1
Lack of Interest	1
Use Timetable	1
Someone else uses it for me	1
Other	0
Don't know how to use it	0

*Percentages may not sum to 100 due to rounding.

In 2025, over half (54%) of respondents who did not use Metro’s real time live tracking indicated it was because they were “unaware of it” (54%). This is more likely for those residing in Burnie (88%); and those aged 14 to 34 (64%).

Residents in Hobart (42%) were more likely to indicate they had “no need for it”.

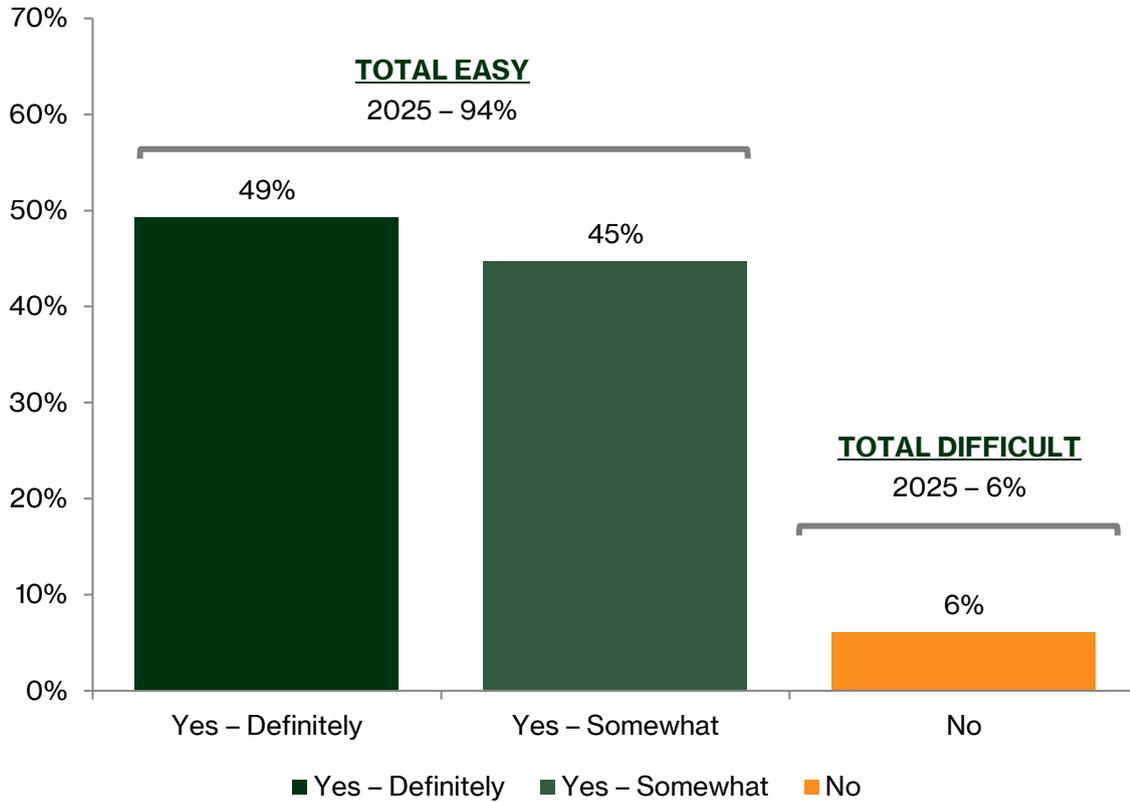
Respondents who were retired or on a pension (21%); using the adult concession fare (16%).and those without access to a vehicle (15%) were more likely to indicate they were “unable to (no phone, computer, etc.)”.

5.4.2 Ease of Use of Metro’s Real Time Live Tracking

Starting in 2025, respondents were asked:

Do you find Metro’s real time live tracking easy to use?

**Chart 5 – Ease of Using Metro’s Real Time Live Tracking
(Percentage of respondents)***



*Percentages may not sum to 100 due to rounding.

↑↓ Significant difference between years at a 95% confidence level.

In 2025, respondents who used Metro’s real time live tracking were asked about its ease of use. The majority (94%) indicated it was *easy to use at some level*, with nearly half (49%) indicating it was definitely easy for them to use.

**Table 40 – Ease of Using Metro’s Real Time Live Tracking in 2025 by Region
(Percentage of respondents by region)***

Ease of understanding	Total (n=132)	Hobart (n=109)	Launceston (n=19)**	Burnie (n=4)**
Yes – Definitely	49	47	53	100
Yes – Somewhat	45	48	37	0
Yes - Combined	94	94	89	100
No	6	6	11	0

*Percentages may not sum to 100 due to rounding.

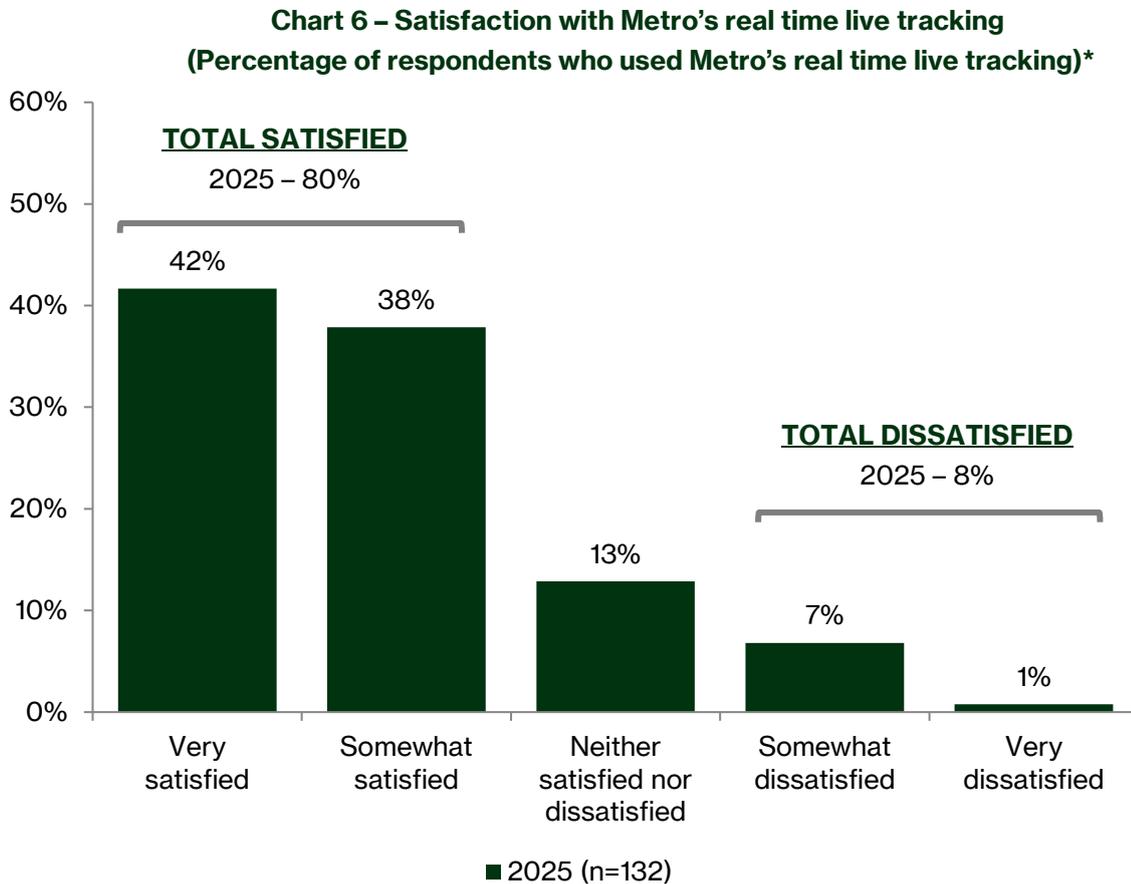
**Results should be viewed with caution due to the small sample size.

There were no statistically significant variations to be noted here across the demographic subgroups.

5.4.3 Satisfaction with Metro’s Real Time Live Tracking

Starting in 2025, respondents who indicated they used Metro’s real time live tracking were then asked:

Are you satisfied or dissatisfied with Metro’s real time live tracking?



*Percentages may not sum to 100 due to rounding.

↑↓ Significant difference between years at a 95% confidence level.

In 2025, four-fifths of the respondents who had made a complaint to Metro about the bus service were *satisfied to some degree* with the way the complaint was handled and resolved (80% in total). Of these, the greater proportion stated they were *very satisfied* (42%).

Around one in twelve respondents were *dissatisfied to some degree* (8% in total), the larger proportion of whom were *somewhat dissatisfied* (7%).

There were no statistically significant variations to be noted across the demographic subgroups.

5.5 Have Metro App

All respondents were asked:

Do you have the Metro App?

Half of the respondents (50%) indicated they did not have the Metro App. In particular, residents of Burnie (84%); those aged 70 or older (73%); those aged 55 or older (64%); respondents who are retired or on a pension (66%); those using an adult concession fare (65%); and respondents with no access to a vehicle (58%).

Respondents aged 14 to 34 (63%); residents of Hobart (55%); those using a full adult fare (57%) or student / child fare (66%); were more likely to indicate they did use the Metro App.

5.5.1 Frequency Use Metro App

Those respondents who did have the app were asked:

How often do you use it?

**Table 41 – Frequency use Metro App in 2025
(Percentage of respondents who had the Metro App)***

Frequency of usage	2025 Percentage (n=293)
At least a couple of times a week	51
Once a week	19
Once a fortnight	10
Monthly	11
Every six months	3
Once a year	2
Less than once a year	1
Never	3

*Percentages may not sum to 100 due to rounding.

In 2025, over half (51%) of respondents who had the Metro App were more likely to have used it at least a couple of times a week, while almost one-fifth (19%) more likely to have used it once a week.

Two-thirds (67% each) of respondents aged 14 to 24 were more likely to have used it at least a couple of times a week as were those on a student / child fare.

Section Six – Metro’s Greencard

6.1 Use of a Greencard

All respondents were asked:

Do you have a Greencard?

In 2025, the clear majority of respondents confirmed they have a Greencard (89%), particularly residents in Hobart (93%).

Among the remainder, 10% stated they did not and just one respondent was “unsure”.

Residents in Burnie were *less likely* to have a Greencard (75%).

6.1.1 Methods of Topping-Up a Metro Greencard

Starting in 2025, respondents who confirmed they had a Greencard were then asked:

How do you top up your green card?

**Table 42 – Methods of Topping-Up a Metro Greencard in 2025
(Percentage of respondents who had a Greencard)***

Methods of Topping-Up	2025 Percentage (n=540)
With Cash – On the Bus	55
With Cash – In the Metro store	24
Via the Website	20
Via the Metro App	19
Do not have a Green Card	0

*Percentages may not sum to 100 due to rounding.

↑↓ Significant difference between years at a 95% confidence level.

In 2025, the most preferred method of topping-up the Metro Greencard was “with cash - on the bus” (55%). This was particularly the case for residents in Burnie (79%); and on an adult concession fare or retired or on a pension (64% each).

Respondents aged 55 or older or retired or on a pension (35% each) were *more likely* to pay with cash in the Metro store.

Those *more likely* to top up their Metro Greencard via the website included those aged 14 to 34 (29%) and respondents using a student / child fare (29%) or an adult full fare (26%).

Respondents aged 14 to 34 (28%); on a student / child fare (26%); or working part-time or casual were *more likely* to top up their Metro Greencard via the app.

6.1.2 Consider Topping-Up a Metro Greencard Online

Starting in 2025, all respondents who did not indicate they topped up their Greencard online were asked:

Would you consider topping up your balance online if cash were not an option?

Under two-thirds (64%) of respondents who currently do not top up their Metro Greencard online indicated they would top up online if cash was not an option.

Looking at demographic sub-groups, those *more likely* to top up their Metro Greencard online if cash was not an option included: males (72%); those aged 14 to 34 (87%); those using a student / child fare (85%) or an adult full fare (73%); respondents with regular access to a vehicle (76%); and tertiary students (93%**).

Those not likely to top up their Metro Greencard online included: those aged 55 or older (59%); respondents who were retired or on a pension (56%); residents of Launceston (51%); those using an adult concession fare (49%); those without access to a vehicle (44%); or females (42%).

6.1.3 Reasons for Not Topping-Up the Metro Greencard Online

Starting in 2025, respondents who do not top-up their Greencard online were then asked:

Why not?

**Table 43 – Reasons for Not Topping-Up the Metro Greencard Online
(Percentage of respondents who do not top-up their Greencard online)***

Reasons for Not Topping-Up Online	2025 Percentage (n=136)
Don't use / Don't like online services	24
Online safety concerns	21
Would rather use cash	15
No Access	15
Too difficult	12
Time Delay	6
Unsure how to do it	4
Don't Need/ Want to	4
Other	2
Unsure	1

*Percentages do not sum to 100 as respondents were able to give multiple responses.

↑↓ Significant between years at a 95% confidence level.

When Greencard owners were asked their reasons for not topping-up online, the most frequent response was they “don’t use or don’t like online services” (24%) followed by “online safety concerns” (21%).

There were no statistically significant variations to be noted across the demographic subgroups.

Appendix – Year on Year Comparison of Satisfaction Scores

Measure	2019	2020	2021	2022	2023	2024	2025
Satisfaction with Metro	76	N/A	82	N/A	63	69	78
<u>Network Elements</u>							
Cost of Services	65	N/A	80	N/A	67	82	91
Route Directness	72	N/A	78	N/A	65	76	81
<u>Service Elements</u>							
Service provided by Drivers	81	N/A	84	N/A	74	77	86
Personal Safety	83	N/A	81	N/A	65	68	78
Reliability	56	N/A	71	N/A	54	59	68
<u>Buses</u>							
Comfort	78	N/A	80	N/A	68	72	82
Cleanliness	65	N/A	69	N/A	63	63	77

Appendix – Regression Analysis

A series of regression models were used to estimate the relationship between satisfaction with specific aspects of Metro Tasmania bus services and its broader operations. These regression models were then used to produce a driver analysis.

Driver analysis is a technique employed to identify the attributes (or “drivers”) that are most strongly associated with an outcome, such as overall satisfaction with a public transport agency. In practice, you model the outcome (the dependent variable) with a set of predictor items (the independent variables) using methods like linear regression, or variance-decomposition approaches such as Relative Weights (RWA). The model’s outputs are converted into comparable “importance” scores – usually normalised to sum to 100 – showing each driver’s unique contribution to explaining variation in the outcome (in this case, different levels of satisfaction).

This analysis is used to estimate the drivers of satisfaction in the agency on multiple dimensions — the reliability of service (Chart 7), personal safety (Chart 8), customer service provided by bus drivers (Chart 9) and the overall services provided by Metro Tasmania (Chart 10) — as a function of the satisfaction patrons have with specific aspects of Metro Tasmania’s services. These are:

1. Bus route coverage
2. Directness of the route
3. Length of time it takes to travel
4. Frequency of the services
5. Operating hours of the services
6. Ease of transfers between services, and
7. Cost to use the service.

Each of these four models are fit one at a time, and the relative influence of our seven variables is estimated by converting the output of our regression models to a measure that sums to 100. This tells us the proportion of differences in customer satisfaction that is attributable to each of the drivers included in the model. The higher the score, the more influence a factor has in the differences in customers’ satisfaction on each outcome. These are displayed on vertical axes of each of the following plots.

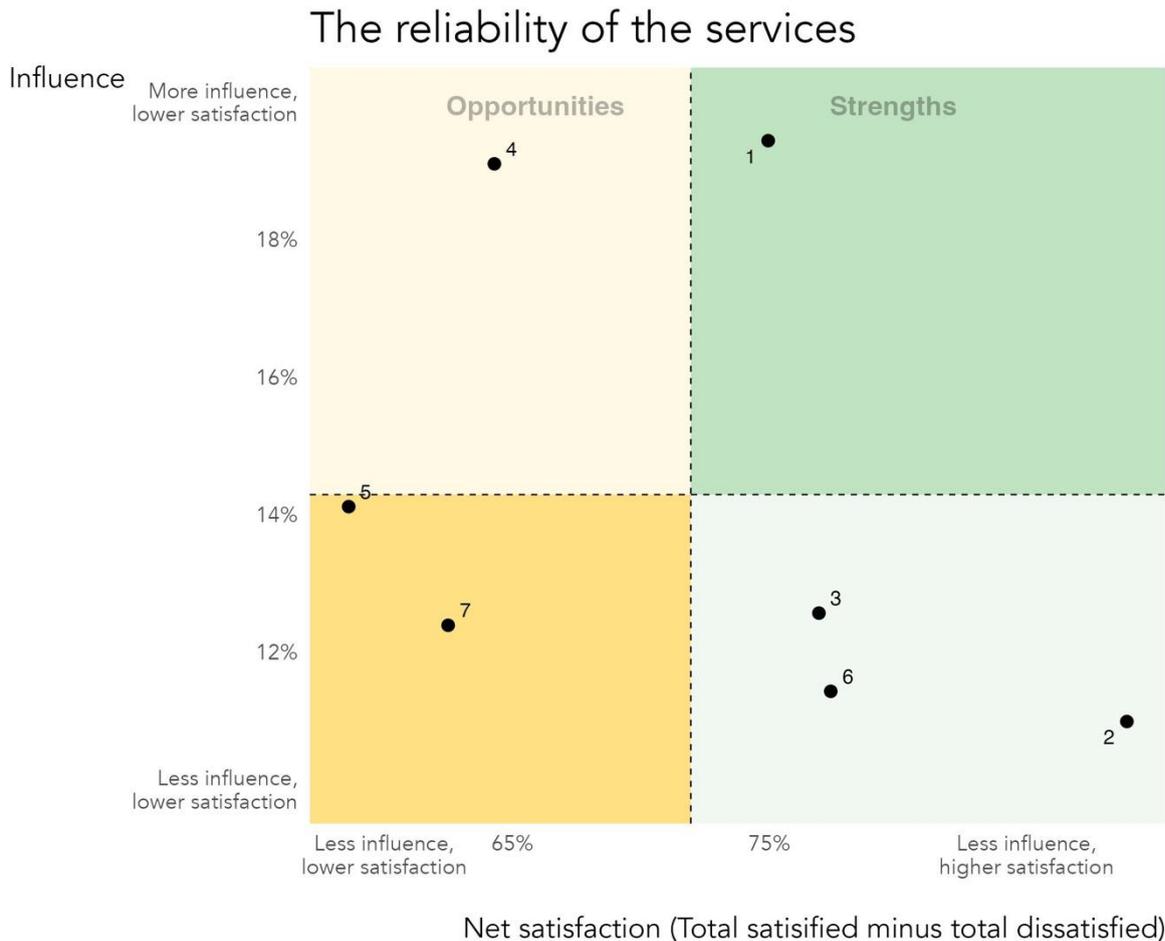
For example, Chart 7 shows the results for the reliability of services, with *the coverage of bus routes* having a score of 19. This tells us that 19 per cent of the variation in the satisfaction individuals report having in the reliability of Metro Tasmania’s services is driven by the coverage of bus routes.

These results are plotted against the descriptive (weighted) data for the satisfaction that individuals had for each of these aspects of Metro Tasmania’s services; shown on the horizontal axis of each chart (specifically, net satisfaction; the total percentage of patrons satisfied with each aspect of service, minus the total dissatisfied). This allows us to compare the importance of each factor, against the satisfaction Metro Tasmania’s customers report having for that component of the service provided by the agency.

The results are then divided into quadrants; each shaded a different colour. The green shaded areas of the charts below indicate areas of strengths for Metro Tasmania, while the yellow shaded area shows attributes that need further improvement.

The plots below show that while there are high satisfaction scores for each attribute, there is also considerable variation in the estimated influence of each on broader attitudes towards Metro Tasmania.

Chart 7 – Factors driving satisfaction of the reliability of the Metro service

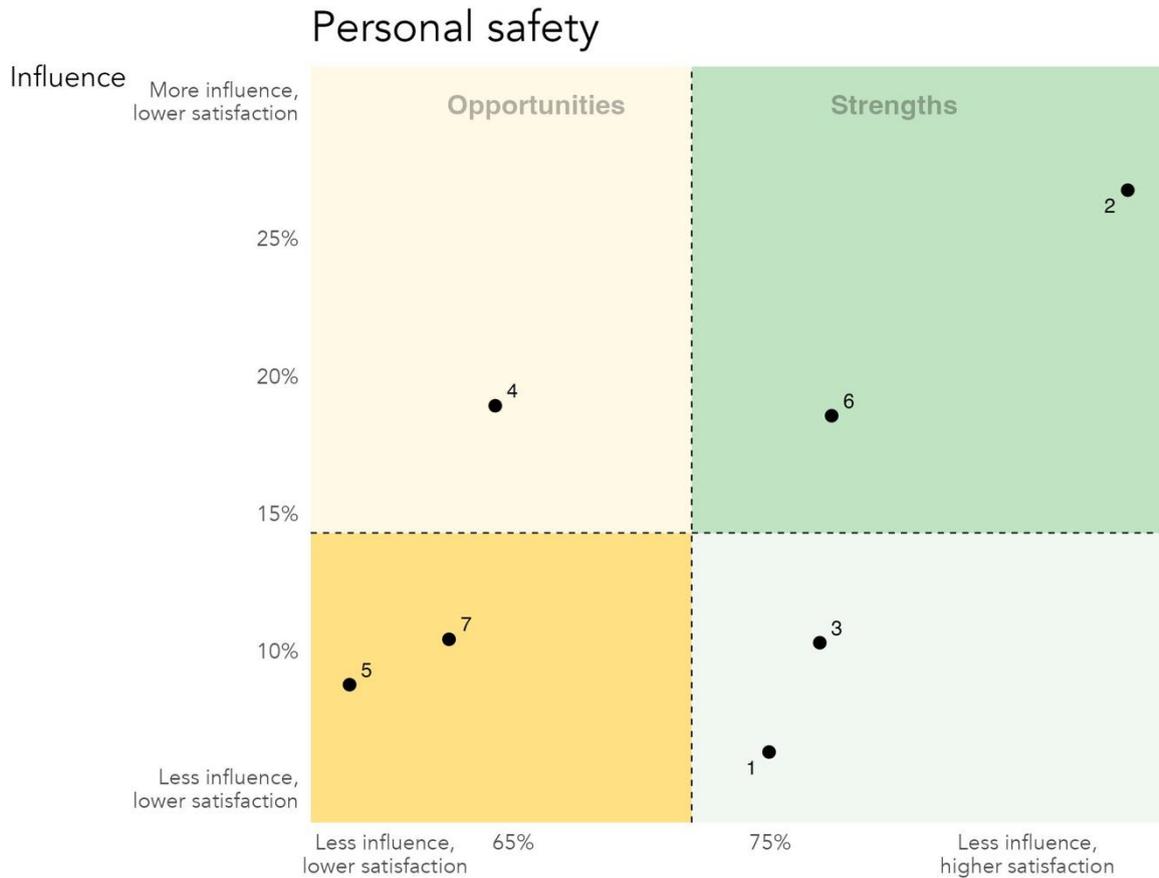


1. The bus route coverage
2. The cost to use the service
3. The directness of the route
4. The ease of transfers between services
5. The frequency of the services
6. The length of time it takes to travel
7. The operating hours of the services

Two attributes are estimated to be the main drivers of satisfaction with the reliability of Metro services (Chart 7): *bus route coverage* (as noted above) and *the ease of transfer between services*. Net satisfaction with bus route coverage is very high (75 per cent), and can be seen as a strength, while most passengers are also satisfied with the *ease of transfers* (with a net satisfaction of 64 per cent). However, there is some room for improvement. Meanwhile, *the frequency of services* has the lowest satisfaction score (57 per cent net satisfaction) and is moderately influential to the perceived reliability of metro services.

These results indicate that the greatest opportunities to increase the perceived reliability of Metro Tasmania services are a focus on strengthening *the ease of transfer between services* and *the frequency of services*.

Chart 8 – Factors driving satisfaction of the personal safety with Metro service



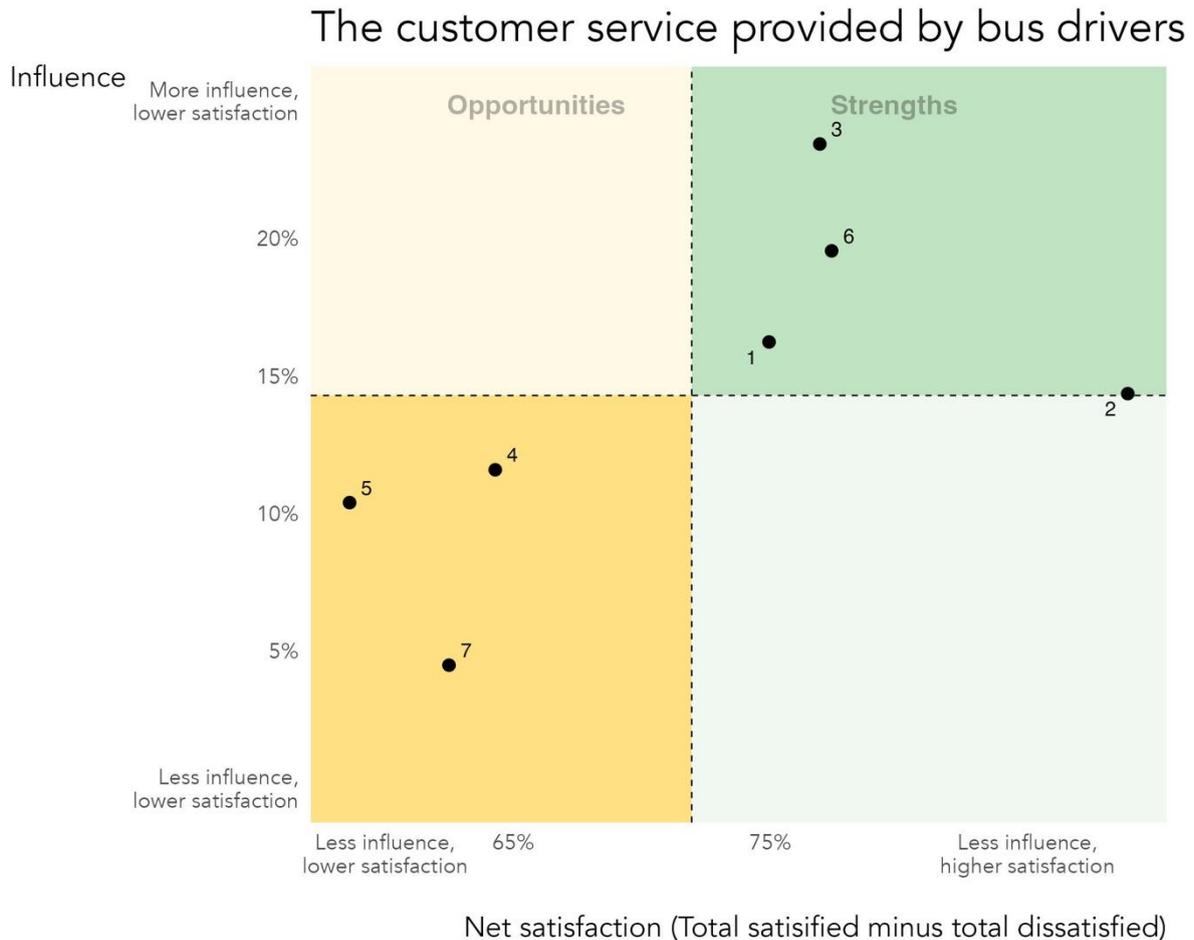
Net satisfaction (Total satisfied minus total dissatisfied)

1. The bus route coverage
2. The cost to use the service
3. The directness of the route
4. The ease of transfers between services
5. The frequency of the services
6. The length of time it takes to travel
7. The operating hours of the services

Three factors dominate customers’ satisfaction with personal safety on Metro Tasmania’s services (shown in Chart 8). The variable estimated to have the strongest association with this metric is also the one that the agency’s patrons are most satisfied with: *the cost to use the service*. The other factors estimated to be influential are *the length of time it takes to travel* and *the ease of transfers between services*.

The *ease of transfers*, along with *operating hours*, appear to be the greatest opportunities — of those included in this analysis — for Metro to improve satisfaction on this dimension. In both cases these are factors with lower levels of satisfaction (64 and 63 per cent net satisfaction, respectively).

Chart 9 – Factors driving satisfaction of the customer service provided by bus drivers

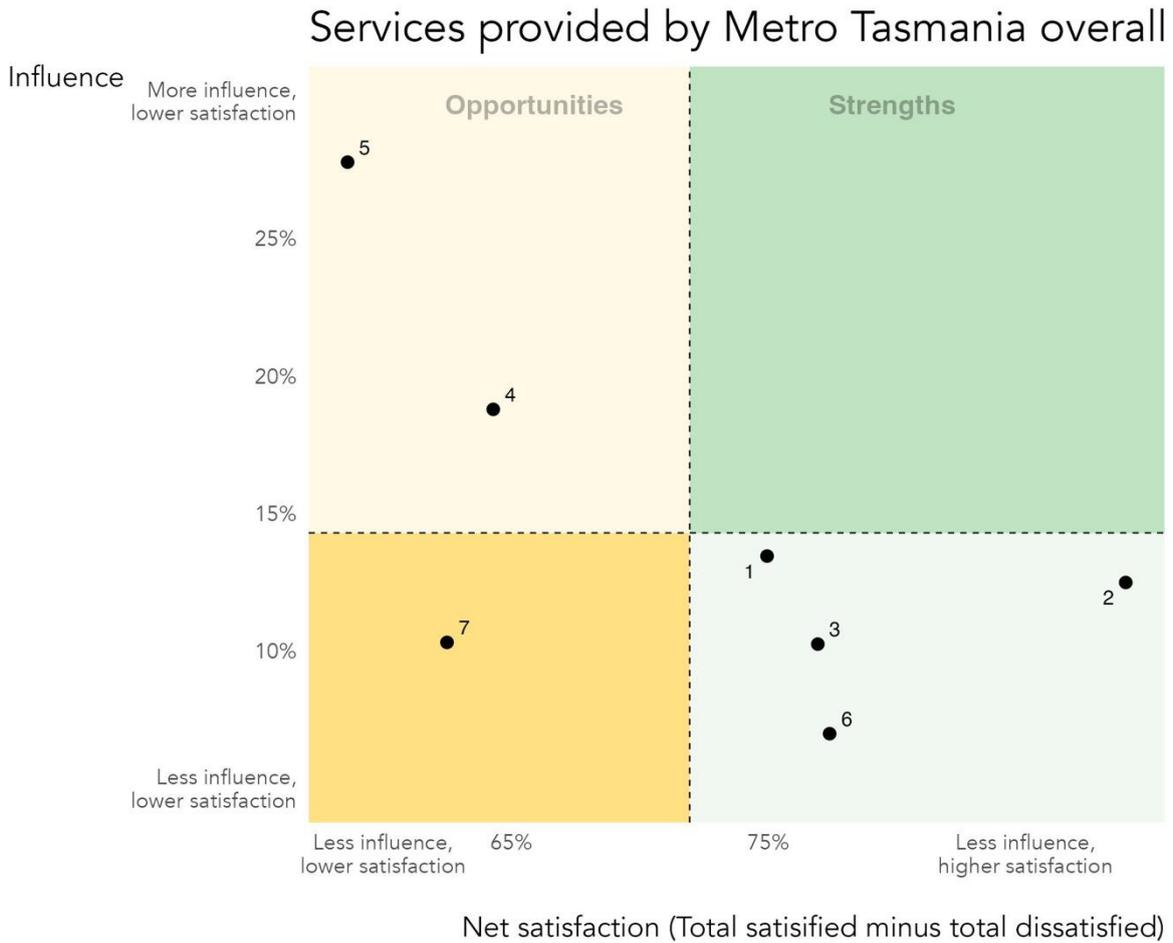


1. The bus route coverage
2. The cost to use the service
3. The directness of the route
4. The ease of transfers between services
5. The frequency of the services
6. The length of time it takes to travel
7. The operating hours of the services

Four of the factors examined here appear to be important for explaining satisfaction with the customer service provided by drivers (Chart 9): *the directness of the route, the time it takes to travel, route coverage and the cost to use the service*. Of note, all of these are strengths, with high levels of satisfaction. There are no factors that are both estimated to be important drivers of satisfaction on this dimension, and on which Metro Tasmania is ranked poorly (i.e., opportunities on which Metro can improve). Rather, the areas where Metro has lower levels of satisfaction (*frequency, operating hours and ease of transfers between services*) are all estimated to be less important contributors to customers' satisfaction in the service provided by bus drivers

The opposite pattern appears to be true for overall customer satisfaction with the services provided by Metro Tasmania (Chart 10).

Chart 10 – Factors driving satisfaction of services provided by Metro Tasmania overall



1. The bus route coverage
2. The cost to use the service
3. The directness of the route
4. The ease of transfers between services
5. The frequency of the services
6. The length of time it takes to travel
7. The operating hours of the services

This is driven by satisfaction with *the frequency of services* and *the ease of transfers between services*. While net satisfaction for these aspects of Metro’s services is not low (59 per cent for frequency and 64 per cent for each of transfers) they are two of the three areas on which Metro is marked lowest (matched only by *service operating hours*). The variables that Metro Tasmania scores highly on (*the cost to use the service, the time it takes to travel, and the directness and coverage of routes*) are not major drivers of overall satisfaction and indicate that to improve overall satisfaction with its service, the greatest opportunities are around improving frequency and interconnections between services.

TOILET FACILITIES AVAILABLE FOR METRO BUS OPERATORS

HOBART			LAUNCESTON			BURNIE		
SUBURB	OWNER		SUBURB	OWNER		SUBURB	OWNER	
1 Austins Ferry	Metro		1 Launceston	Metro		1 Burnie	Metro	
2 Bellerive	Public		2 Newnham	Private		2 Camdale	Private	
3 Blackmans Bay	Private		3 Launceston	Public		3 Wynyard	Private	
4 Blackmans Bay	Public		4 Launceston	Public		4 Penguin	Private	
5 Bridgewater	Public		5 Prospect	Private		5 Somerset	Private	
6 Brighton	Metro		6 Youngtown	Private		6 Ulverstone	Private	
7 Camelot Park / Tranmere	Metro		7 Ravenswood	Private		7 Sulphur Creek	Private	
8 Cascades	Metro		8 Invermay	Private		8 Wynyard	Private	
9 Chigwell	Metro		9 Invermay	Private		9 Wynyard	Private	
10 Claremont	Public		10 Riverside	Metro		10 Burnie	Public	
11 Claremont	Public		11 Rocherlea	Metro		11 Burnie	Public	
12 Claremont	Public		12 South Norwood	Metro		12 Cooe	Public	
13 Claremont	Public		13 West Launceston	Metro		13 Somerset	Public	
14 Clarence	Public		14 Launceston	Public		14 Ulverstone	Public	
15 Clarendon Vale	Metro		15 Prospect	Public		15 Wynyard	Private	
16 Cremorne	Public		16 Launceston	Public		16 Burnie	Public	
17 Dynnyrne	Metro		17 Riverside	Public		17 Burnie	Public	
18 Fern Tree	Metro		18 St Leonards	Private		18 Burnie	Public	
19 Gagebrook	Metro		19 St Leonards	Public		19 Burnie	Public	
20 Geilston Bay	Metro		20 Trevallyn	Public		20 Burnie	Public	
21 Glenorchy	Metro					21 Somerset	Public	
22 Glenorchy	Metro					22 Somerset	Public	
23 Glenorchy	Metro					23 Wynyard	Public	
24 Glenorchy	Metro					24 Wynyard	Public	
25 Hobart	Public					25 Penguin	Public	
26 Hobart	Public					26 Penguin	Public	
27 Howrah	Private					27 Ulverstone	Public	
28 Howrah	Public					28 Burnie	Private	
29 Huntingfield	Public					29 Burnie	Private	
30 Kingston	Private					30 Burnie	Private	
31 Kingston	Public					31 Ulverstone	Public	
32 Kingston	Public					32 Ulverstone	Public	
33 Kingston	Metro					33 Ulverstone	Public	
34 Kingston Central	Private					34 Wynyard	Public	
35 Lauderdale	Metro							
36 Lauderdale	Metro							
37 Lenah Valley	Metro							
38 Lenah Valley	Public							
39 Lindisfarne	Public							
40 Margate	Private							
41 Marlyn Road	Metro							
42 Mornington	Metro							
43 Mornington	Metro							
44 Mount Nelson	Metro							
45 Mount Nelson	Public							
46 Mount Stuart	Metro							
47 New Town	Public							
48 North Hobart	Public							
49 North Hobart	Public							
50 Opossum Bay	Public							
51 Risdon Vale	Metro							
52 Rokey	Public							
53 Rosny Park Bus Station	Public							
54 Sandy Bay	Metro							
55 Sandy Bay	Public							
56 Seven Mile Beach	Public							
57 Snug	Public							
58 South Arm	Public							
59 Springfield	Metro							
60 Springfield	Metro							
61 Taroona	Metro							
62 Tranmere	Public							
63 West Hobart	Metro							
64 Woodbridge	Public							

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

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



16 DEC 2025

Ms Helen Burnet
Chair, Government Businesses Scrutiny Select Committee
House of Assembly
Parliament House
HOBART TAS 7000

c/- fiona.murphy@parliament.tas.gov.au

Dear Chair *Helen*

On behalf of the Minister for Infrastructure and Transport, please find enclosed with this letter a response from TasPorts to questions taken on notice during scrutiny on 26 November 2025.

Should you have further questions, please contact Minister Vincent's Chief of Staff Tim Lovibond by email to tim.lovibond@dpac.tas.gov.au or phone on 0427 903 165.

Yours sincerely

Hon Jane Howlett MP
Acting Minister for Infrastructure and Transport

Encl.

Subject:	QONs Responses
Date prepared:	11 December 2025

Question 1

How much has been spent to date on consultants and contractors for the Burnie Berth 4 issues?

Response:

To date, TasPorts has spent \$10 million in consultants and contractors as part of its investigative works, risk management, project planning and design development.

Question 2

When was the last time there was major maintenance undertaken on Berth 4?

Response:

The last projects undertaken at Berth 4 at the Port of Burnie were completed in 2018 and 2023. In 2018, TasPorts undertook dredging to support the arrival of Toll's (Strait Link's predecessor) new vessels. Alongside this, Toll also completed a package of landside infrastructure works, which included ramp upgrades and a wharf extension. In 2023, TasPorts installed two new super cone fenders and completed minor wharf capacity works at the fender sites.

Question 3

What date were the safety issues and deteriorating condition of Berth 4 detected?

Response:

Berth 4 at the Port of Burnie remains safe for use by its customer Strait Link.

Scour on the quay wall at Berth 4 at the Port of Burnie was first identified in 2015.

TasPorts worked with Toll (Strait Link's predecessor) to incorporate the completion of scour protection works at Berth 4, as part of a planned project to prepare for the arrival of new vessels in 2019.

As part of TasPorts' 2023 Wharf Condition Monitoring Program, undertaken in line with the Wharf Structures Condition Assessment Manual (WSCAM), increased scouring was identified beneath the quay wall at Berth 4.

Question 4

Will the updated Capex and 5-year infrastructure project be public and can Members of Parliament be briefed on it?

Response:

TasPorts is currently finalising its 5-Year Capital Projects Plan. In accordance with the *Guidelines for Tasmanian Government Businesses – Capital Investment*, individual project business cases valued \$5 million and above will be provided to the Shareholder Ministers for consideration and approval.

TasPorts does not intend to publish the 5-Year Capital Projects Plan, as it contains commercially confidential information, including market-sensitive cost estimates.

TasPorts remains available to support the Shareholder Ministers in providing information to Members of Parliament as required and appropriate under established processes.

Question 5

When do you expect the designs on Burnie Port to be completed?

Response:

TasPorts expects the detailed design to be completed in early 2026.

Question 6

What is the cost estimate of the Burnie Port upgrade?

Response:

TasPorts is unable to release the cost estimate for Burnie Berth 4 currently due to probity.

Question 7

Which other Australian Ports have received Federal funding to establish Renewable Energy Hubs/Offshore Servicing Facilities?

Response:

TasPorts is not aware of any Australian Ports that have received Federal funding to establish a specific Renewable Energy Hubs/Offshore Servicing Facilities.

The Port of Newcastle has received \$100 million funding to support their Clean Energy Precinct, which will renew a 220-hectare industrial site to facilitate clean energy production, storage, transmission, domestic distribution and international export.

Question 8

Can you provide correspondence on TasPorts' concerns as conveyed to TT-Line on the specifications on the fenders and hull for the new Spirit vessels and berthing infrastructure?

Response:

See correspondence labelled as items 1 – 27, in the attached Appendix.

Question 9

Has TasPorts had input into the design and proposal for the Northern Access Road at Macquarie Point?

Response:

TasPorts is actively working with the Department of State Growth on the Northern Access Road. TasPorts provided formal feedback on 'work in progress' concept plans on 25 September 2025.

Question 10

Please provide the latest TasPorts employee satisfaction survey.

Response:

See Item 32 on the Appendix: TasPorts Engagement Survey – June 2025

Question 11

What is the aviation funding to increase passenger numbers and details of grant?

Response:

TasPorts has not accessed any funding under the Tasmanian Government's Aviation Attraction Fund. Devonport Airport is ineligible for one of the funding streams, which is limited to international airports. The second funding stream, which supports the establishment of new domestic routes or the expansion of seasonal services, does not align with Devonport Airport's current strategy, which is focused on building passenger demand rather than increasing route capacity.

Question 12

Please provide the title transfer between TasPorts and Macquarie Point Development Corporation (200m2)?

Response:

A formal title transfer between TasPorts and Macquarie Point Development Corporation has not yet been completed, however there is ongoing active discussion regarding the land transfer. See Item 30 in the Appendix which details the approximately 220m2 parcel under discussion.

Question 13 - Jack

Please provide the details of the 67 consultants costing less than \$50,000 for 2024/25?

Response:

See Appendix 31.

Please note that due to a counting error the number of consultants costing less than \$50,000, the 2024-25 Annual Report incorrectly listed 67 consultants. The error involved double counting a small number of vendors as both capital and operational expenditure and failing to remove the duplicates.

As a result, TasPorts engaged 64 consultants for less than \$50,000 in FY25, not 67 as had been listed in the Annual Report.

Question 14

Where does TasPorts source fuel from? Could you identify if any of your fuel is sourced from Russia, or via another country?

Response:

TasPorts sources fuel from United and Lowes Petroleum (a joint venture with BP).

United has advised that it sources all refined fuels through established term contracts with reputable international suppliers. It's primary sources of supply are located in Singapore, South Korea, and Japan, each of which is a recognised regional hub for high-quality refined product export. United has advised TasPorts that all procurement activities are fully compliant with Australian laws and regulations, including all applicable Australian sanctions regimes.

BP has advised that it complies with all applicable sanctions and export controls and undertakes checks to verify product origin.

Based on advice from our suppliers, TasPorts is not aware of any fuel being sourced from Russia.

Question 15

Please provide the TasPorts customer surveys for the last 5 years?

Response:

Please see attached the two customer survey reports conducted in November 2022 and April 2024, labelled items 28 and 29 in the Appendix.

Question 16 - Ben

Please provide the Committee with pilot numbers over the last 5 years.

Response:

As at:	No. of marine pilots
5 December 2025	16
30 June 2025	15
30 June 2024	15
30 June 2023	15
30 June 2022	14
30 June 2021	14



Greg McCann

Chair

11 December 2025

Prepared by: Ben Hansen

Position: Head of Corporate Affairs

Email:

Phone: 0439 553 390

Cleared by: Anthony Donald

Position: CEO

Email:

Phone:

**GBE-SOC Budget Scrutiny Briefing - TasPorts
Questions on Notice – House of Assembly**

Appendix

1. Tenant Notice SOT-NOT-008 (1)_Redacted
2. 6A0000-TASP-1430-COM-NOT-0001 (6)_Redacted
3. Tenant Notice SOT-NOT-007_Redacted
4. 6A0000-TASP-1430-COM-NOT-0001 (6)_Redacted
5. 6.09.2024 R Hall TT Line_redacted
6. 6A0000-TASP-1430-COM-NOT-0035 - Revised Estimate Inv VAR014 Apr 2024 (1)
(1)_redacted
7. TASPSPORTS-RFI-000101_redacted
8. TASPSPORTS-RTRANSMIT-000619_redacted
9. TASPSPORTS-RTRFI-000137_redacted
10. TASPSPORTS-RTRFI-000138_redacted
11. TASPSPORTS-RTRFI-000192_redacted
12. TASPSPORTS-TENCORR-000073_redacted
13. TASPSPORTS-TENCORR-000081_redacted
14. TASPSPORTS-TENCORR-000085_redacted
15. TASPSPORTS-TRANSMIT-000027_redacted
16. TASPSPORTS-TRANSMIT-001247_redacted
17. TASPSPORTS-TRANSMIT-001255_redacted
18. TTLine-RTRANSMIT-000029_redacted
19. TTLine-RTRANSMIT-000088_redacted
20. TTLine-RTRFI-000037_redacted
21. TTLine-RTRFI-000041_redacted
22. TTLine-TENCORR-000027_redacted
23. TTLine-TENCORR-000031_redacted
24. AD001 FW_ TasPorts Data Received_redacted
25. AD002 FW_ MEETING 5pm _ ONLINE ONLY - TT-Line Sub Committee Cabinet
Meeting_redacted
26. AD003 FW_ TT line contingency berth notes_redacted
27. CL001 MEETING 5pm ONLINE ONLY - TT-Line Sub Committee Cabinet
Meeting_redacted
28. TasPorts_Customer survey_Nov 2022
29. TasPorts_Customer survey Report_April 2024
30. Macquarie Point Land Transfer

31. Consultants under \$50,000

32. TasPorts Engagement Survey – June 2025

4 December 2025

Chris Carbone
TT-Line Company Pty Ltd
Spirit of Tasmania Terminal
The Esplanade, East Devonport
Devonport TAS 7310

Dear Chris,

Russian-origin products

I confirm that Viva Energy Australia Pty Ltd complies with all applicable sanctions imposed by the Australian Government regarding the purchase of Russian-origin products, and accordingly does not purchase crude oil or refined petroleum products which have been extracted or manufactured / refined in Russia.

As part of our governance and risk functions, we continually monitor any changes / updates to these sanctions regulations to ensure we remain compliant at all times.

Should you require more information regarding this matter, please feel free to contact me at any time.

Yours sincerely



Richard Xin

**General Manager
Specialities, Marine & Defence**

Attachment B**2024-25 Consultancy costs incurred less than \$50,000 (excluding GST)****Berth 3 consultancy costs (<\$50,000)**

Consultant	Amount
SCHERZIC PTY LTD	\$47,756
TASMANIAN DRILLING SERVICES	\$45,791
PDA SURVEYORS, ENGINEERS & PLANNERS	\$16,353
METRICS GROUP PTY LTD	\$11,700
OUTCOMEX PTY LTD	\$7,386
GEOINVENTIONS CONSULTING SERVICE PTY LTD	\$6,840
ALL URBAN PLANNING PTY LTD	\$5,019
PITT & SHERRY (OPERATIONS) PTY LTD	\$4,280
ENVIRONMENTAL SERVICE AND DESIGN	\$3,355
Subtotal	\$148,479
Other	\$10,052
Total	\$158,531

Non-Berth 3 consultancy costs (<\$50,000)

Consultant	Amount
DANNY MCCARTHY	\$43,670
METIZOFT ASIA PTE LTD	\$36,829
EDGE ENVIRONMENT PTY LTD	\$34,650
WATERMARK SEARCH INTERNATIONAL P/L	\$33,650
FIGURA	\$32,412
INTERNATIONAL SOS (ANZ) PTY LTD	\$31,000
BDA MARKETING PLANNING	\$27,500
CATHERINE DIXON CONSULTING	\$27,458
PAGE SEAGER PTY LTD	\$23,869
TRISKELE LABS	\$23,310
FORTYTWO24 PTY LTD	\$20,550
KPMG FINANCIAL ADVISORY (AUSTRALIA) PTY LTD	\$16,560
NORTHWEST COUNSELLING SERVICE TASMANIA	\$15,865
SALTED STONE APAC PTY LTD	\$15,000
MY LOCAL FOODIE PTY LTD	\$12,000
OUTCOMEX PTY LTD	\$11,968
VINIFIED	\$11,682
ABLEMANS LCS OY	\$10,683
MERCER CONSULTING (AUSTRALIA) PTY LTD	\$10,160
Subtotal	\$438,816
Other consultancies (<\$10,000)	\$97,768
TOTAL	\$536,584



Head Office
Esplanade (PO Box 168E)
East Devonport Tasmania 7310
TT-Line Company Pty Ltd
ABN 39 061 996 174
spiritoftasmania.com.au

Tenants Notice #008

Landlord	Tasmanian Ports Corporation Pty Ltd ACN 114 161 938 (TasPorts)
Tenant	TT-Line Company Pty Ltd ACN 061 996 174 (TT-Line)
Agreement	Agreement for Lease Terminal 3, Berth 3E, Port of Devonport, East Devonport, made between TasPorts and TT-Line, dated 28 July 2022, ("AFL")
From	[REDACTED] (TT-Line), [REDACTED] @spiritoftasmania.com.au
To	[REDACTED] (Programme Manager), [REDACTED] @tasports.com.au
CC	[REDACTED] (TT-Line General Counsel and Company Secretary) [REDACTED] (Landlord Representative), email [REDACTED] @tasports.com.au
Transmission	Via Aconex only
Subject	Notice of Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure – VAR014
Document Number	SOT-NOT-008
Date	29 June 2023
References	Clause 15.4 of the AFL, 6A0000-TASP-1430-COM-NOT-0016, 6A000-TASP-1430-COM-NOT-018, TLine-TENCORR-000034

Approved Tenant Variation VAR014 – Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure

I refer to notice NOT0016 and the Approved Tenant Variation received by TT-Line on 10th March 2023 providing the TasPorts' estimate of Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure and note:

- a) The Variation Cost in accordance with clause 15.4(d)(i)(A) of the AFL; and
- b) TasPorts' initial estimate of the required extensions to the Landlord Milestone Dates and / or the Date for Final Practical Completion (**Landlord Works**) in accordance with clause 15.4(d)(i)(B) of the AFL.

In accordance with clause 15.4(e)(i) of the AFL, TT-Line **accepts** the Approved Tenant Variation.

TT-Line also notes the updated estimates of the Variation Cost and extensions to Landlord Milestone Dates for this will be provided by TasPorts.

Regards,

[REDACTED]
[REDACTED]
Senior Project Manager
Authorised Tenant Representative



Landlords Notice 001

Landlord	Tasmanian Ports Corporation Pty Ltd ACN 114 161 938 ("TasPorts")
Tenant	TT-Line Company Pty Ltd ACN 061 996 174 ("TT-Line")
Agreement	Functional User Requirement Agreement dated 24/12/2021 6A0000-TASP-0010-COM-ARG-0007
From	[REDACTED]
To	[REDACTED]
CC	[REDACTED]
Transmission	Via aconex only
Subject	TT Line Berthing and Mooring Requirements
Document Number	6A0000-TASP-1430-COM-NOT-0001
Date	22/03/2022
References	<ul style="list-style-type: none">- TtLine-GCOR-000081- Ltr TtLine Devonport T3 - Review of Fender and Bollard Requirements- Functional User Requirements - Terminal 3 - TT-Line 6A0000-TASP-0010-COM-ARG-0007 Rev I
Attachments	

[REDACTED]

Further to discussion TasPorts is reviewing TT Lines request to vary the Functional User Requirements to accommodate changes to bollards, fenders and the T3 wharf outlined in TtLine-GCOR-000081 and Ltr TtLine Devonport T3 - Review of Fender and Bollard Requirements. We are seeking a meeting with the respective engineering teams this week to establish the basis for such requests.

Should TasPorts elect to agree to any changes to its Landlord Works outlined in the Functional User Requirements it will be undertaken on a variation basis with all additional costs (including direct, consequential, TasPorts, assessment and third party costs) borne by TT Line.

Further, the proposed changes, if accepted, will likely necessitate an extension of time to Landlord Works with the reasons being scope change, design rework and procurement delays. The T3 Marine and Dredge works are on the critical path to the completion of the Landlord Works and also access to the berth reclamation for commencement of TT Line's marine and ramp Tenant works. The extent of the delay cannot be calculated at this time and will be advised as soon as practicable.

Head Office 48 Formby Road, Devonport PO Box 478 Devonport Tasmania 7310 F 03 6421 4988 E secretary@tasports.com.au	Port of Bell Bay Mobil Road, Bell Bay Locked Bag 4 George Town Tasmania 7253 F 03 6382 1695 E bellbay@tasports.com.au	Port of Burnie Port Road, Burnie PO Box 216 Burnie Tasmania 7320 F 03 6434 7373 E burnie@tasports.com.au	Port of Hobart Level 13, Trafalgar Building 110 Collins Street GPO Box 202 Hobart Tasmania 7001 F 03 6222 6122 E Hobart@tasports.com.au	Launceston Office Suite 12 Level 1 87 Brisbane Street Po Box 1060 Launceston Tasmania 7250 F 03 6380 3004	Port of King Island 285 Grassy Harbour, Grassy KI PO Box 341, Currie KI Tasmania 7256 F 03 6461 1386 E kireception@tasports.com.au
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As you are aware, TasPorts has committed significant resources and costs associated with the T3 Marine and Dredge Tender. This commitment was progressed on the basis of TT-Lines agreement of the Functional User Requirements on 24/12/2021. Prior to agreement the Functional User Requirement Drawings were provided in July 2021 then updated marine sketches for the revised ship provided in October 2021. TasPorts considers that TT-Line had ample time to review the proposed scope and functional parameters prior to agreement of the Functional User Requirements and as such any incurred delays as a result of subsequent changes would have been avoidable

Sincerely

A large black rectangular redaction box covering the signature of the Programme Manager.A small black rectangular redaction box covering the name of the Programme Manager.
Programme Manager



Head Office
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Tenants Notice #007

Landlord	Tasmanian Ports Corporation Pty Ltd ACN 114 161 938 (TasPorts)
Tenant	TT-Line Company Pty Ltd ACN 061 996 174 (TT-Line)
Agreement	Agreement for Lease Terminal 3, Berth 3E, Port of Devonport, East Devonport, made between TasPorts and TT-Line, dated 28 July 2022, ("AFL")
From	[REDACTED] (TT-Line), email [REDACTED] @spiritoftasmania.com.au
To	[REDACTED] (Programme Manager), email: [REDACTED] @tasports.com.au
CC	[REDACTED] (TT-Line General Counsel and Company Secretary) @spiritoftasmania.com.au [REDACTED] (Landlord Representative), email: [REDACTED] @tasports.com.au
Transmission	Via Aconex only
Subject	Notice of Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure – VAR014
Document Number	SOT-NOT-007
Date	31 March 2023
References	Clause 15.4 of the AFL, 6A0000-TASP-1430-COM-NOT-0016, 6A000-TASP-1430-COM-NOT-018

[REDACTED]

TT-Line refers to TasPorts' correspondence 6A0000-TASP-1430-COM-NOT-0016 Notice of Approved Tenant Variation (the **VAR014**) issued in accordance with clause 15.4(d) of the Agreement for Lease (AFL) and 6A000-TASP-1430-COM-NOT-018 updating VAR014 (the **VAR014 Update**).

In VAR014 TasPorts states that pursuant to clause 15.4(b) of the AFL the confirmation of the hull pressures in TT-Line's email to TasPorts dated 09/02/2023¹ in response to the enquiry by TasPorts dated 09/02/2023² seeking confirmation of the hull pressures stated in the email sent by TasPorts on 11/01/2023³ constitutes a Tenants Work Variation or a request for a Landlord Works Variation (the **Variation**) by TT-Line under clause 15.4 of the AFL.

TasPorts refers to section 5.2.3.1 of the TT-Line Terminal 3 Functional User Requirements and Scope of Work Landlord Works (the **T3FUR**) and the data confirmed in the emails noted above in support of the Variation. VAR014 is notice that the Variation is an Approved Tenant Variation issued in accordance with clause 15.4(d) of the AFL.

In accordance with clause 15.4(d)(i)(A), TasPorts also advised in VAR014 TT-Line that the initial estimate of the Variation Cost was \$6,000,000.00 and in accordance with clause 15.4(d)(i)(B), provide TasPorts' initial estimate of the required extensions to the Landlord Works.

¹ TLine-TENCORR-000027

² TSPORTS-TENCORR-000081

³ TSPORTS-TENCORR-000073



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The VAR014 Update provides a further update to the estimate of Variation Costs (exc GST) including:

- estimated direct cost component of \$3,204,684.80;
- preliminaries and margin which are estimated at 10% and 8% of the estimated \$3,204,684.80; and
- delay costs for marine piling and wharf construction at a maximum rate of \$70,765 and \$58,603 per working day respectively under the Landlord Works Construction Contract for the Marine and Dredge Works.

This response is provided by TT-Line in accordance with clause 15.4(e).

Notice

1. TT-Line is required to respond to TasPorts notice within 15 days after receiving the Landlord's notice under clause 15.4(d)(i) under clause 15.4(e) the final day for a response being 3 April 2023 (clause 1.2(n)) including a Dispute Notice referring a Dispute for resolution in accordance with clause 63.
2. Therefore, pursuant to clause 63.3, TT-Line hereby advises TasPorts that this notice is Dispute Notice notifying TasPorts of a Dispute in accordance with clause 15.4(e)(iii).

Background

3. A chronology of correspondence (extracted from Aconex) is attached to this Notice of Dispute at Annexure A.
4. TT-Line first advised TasPorts of the allowable bearing pressure for berthing impact reactions imposed by side and stern fenders for the new Vessels on 22 October 2021.
5. TasPorts completed the T3FUR incorporating the incorrect allowable bearing pressure for berthing impact reactions on 24 December 2021. The T3FUR incorporating the incorrect pressures was attached to the Agreement for Lease.
6. It is understood TasPorts went out to tender for the design and construction of a wharf, berth pocket and reclamation area at Berth 3E, Devonport in January 2022 and it is assumed the incorrect T3FUR were included in the tender documents.
7. On 8 August 2022, TasPorts contacted via email TT-Line seeking further confirmation of the bearing pressures.⁴ TasPorts noted in the email that they had previously been notified of the correct allowable bearing pressure on 22 October 2021.
8. On or about 19 August 2022 TasPorts awards the contract for the Landlord Works to Hazell Bros Group Pty Ltd and Brady Marine & Civil Pty Ltd joint venture partners (**HBJV**).
9. On 31 August 2022, TT-Line confirmed the required allowable bearing pressures provided by TasPorts on 8 August 2022 that had previously been provided to TasPorts on 22 October 2002.⁵ These figures were again confirmed by TT-Line on 6 September 2022⁶ and 9 February 2023.⁷
10. On 10 March TasPorts serve a notice on TT-Line advising that as the required allowable sponson and hull bearing pressures have been varied from those stated at Section 5.2.3.1 of the T3FUR then pursuant to clause 15.4(b) the variation constitutes a request for a Landlord Works Variation. That notice is the subject of this Dispute.

Particulars of the Dispute

⁴ TASPORTS RFI-000101

⁵ TTLine-RTRFI-000037

⁶ TTLine-RTRFI-000041

⁷ TASPORTS-TENCORR-000081



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11. TT-Line agrees that the works the subject of the Variation are required to be completed to facilitate the berthing of the new vessels at Berth 3.
12. TT-Line however disputes TasPorts claim the requirement for the sponson and hull bearing pressures to be as previously advised to TasPorts is a request from TT-Line for a Landlord Works Variation by TT-Line and, subsequently, an Approved Tenant Variation under clause 15.4 of the AFL.
13. At items 4, 8 and 10 of the chronology at Annexure A it is clear that TasPorts were originally advised of the required specifications for the sponson and hull bearing pressures (among other things) on 22 October 2021.
14. That TasPorts were aware of the required specifications was further confirmed at items 11, 12, 14 and 15 of Annexure A well in advance of 9 February 2023 (item 16 of Annexure A) which is the date TasPorts claim is the date of TT-Line's requested change to allowable sponson and hull bearing pressure for Design Ship 1 that constituted a request for a Landlord Works Variation by TT-Line under clause 15.4 of the AFL.
15. It is TT-Line's view that TasPorts erred in including the incorrect specifications for the bearing pressures into the T3FUR (and the AFL) as TasPorts were aware or should have been aware of the required specifications by TT-Line at that time.
16. In addition, it is TT-Line's view that the award of the contract for the Landlord Works to HBJV on 19 August 2022 was for a tender issued 11 January 2022 based on specifications that TasPorts were aware or should have been aware were incorrect in relation to the bearing pressures for the berth at the time of issuing the tender.
17. That TasPorts were aware or should have been aware of the error was further confirmed in correspondence to TT-Line on 8 August 2022 and prior to the award of the contract noting, among other things, the sponson bearing pressure for the new vessels is 1500kN/m² had been provided to TasPorts on 22 October 2021 (item 8 of Annexure A).
18. On that basis TT-Line disputes that the email correspondence of 9 February 2023 is a Landlord Works Variation by TT-Line and, it follows, TT-Line disputes in full the estimated Variation Costs in VAR014 and the VAR014 Update.

Conclusion

Clearly, it is not in either party's interests to delay the Project unnecessarily and, as noted previously TT-Line require the construction of the berth to proceed incorporating the correct specifications but not, as outlined above, at TT-Line's cost.

On that basis, TT-Line's Chief Executive Officer looks forward to meeting with TasPorts' Chief Executive Officer within 10 business days after receipt of this Dispute Notice under clause 63.4(a) of the AFL in order to resolve the Dispute and agree an outcome that is acceptable for both parties.

██████████

██████████████████

██████████████████

Senior Project Manager

Authorised Tenant Representative

Annexure A: Chronology of Correspondence

Table 1: Chronology of Correspondence

Item	Date	Action												
1.	05.07.2021	<p>TASPORTS-RFI-00083</p> <p>TasPorts request a whole schedule of information relating to vessel characteristics & ship-to-shore interfaces to be used for the design of marine facilities at Devonport restricted to Landlord Works, including the allowable pressures on the hull and sponson in table 2.2 at paragraph 2.5.2.</p>												
2.	09.09.2021	TasPorts invites expressions of interest (EOI) for the design and construction of a wharf, berth pocket and reclamation area at Berth 3E, Devonport.												
3.	14.10.2021	TasPorts EOI closes												
4.	22.10.2021	<p>TT-Line responds with inter alia allowable bearing pressure for berthing impact reactions imposed by side and stern fenders stating:</p> <table border="1"> <thead> <tr> <th>Element</th> <th>Unit</th> <th>T3 Design Ship 1</th> </tr> </thead> <tbody> <tr> <td>Vessel Hull</td> <td>kN/m²</td> <td>1500kN/m²</td> </tr> <tr> <td>Sponson</td> <td>kN/m²</td> <td>1500kN/m²</td> </tr> <tr> <td>Stern Transom</td> <td>kN/m²</td> <td>1500kN/m²</td> </tr> </tbody> </table>	Element	Unit	T3 Design Ship 1	Vessel Hull	kN/m ²	1500kN/m ²	Sponson	kN/m ²	1500kN/m ²	Stern Transom	kN/m ²	1500kN/m ²
Element	Unit	T3 Design Ship 1												
Vessel Hull	kN/m ²	1500kN/m ²												
Sponson	kN/m ²	1500kN/m ²												
Stern Transom	kN/m ²	1500kN/m ²												
5.	24.12.2021	<p>TT-Line approves TT-Line Terminal 3 Functional Requirements and Scope of Work – Landlord Works (T3FUR) (incorporated at Schedule 3 of the AFL) including at clause 5.2.3.1</p> <p><i>“The maximum berthing impact reaction on the vessel's sponson shall be limited to 3,000kN/m. The maximum pressure imposed on the vessel hull under berthing impact shall be limited to 200kN/m².”</i></p>												
6.	11.01.2022	TasPorts issue Tender for the design and construction of a wharf, berth pocket and reclamation area at Berth 3E, Devonport.												
7.	28.07.2022	TT-Line and TasPorts execute the AFL attaching Schedule 3 incorporating the incorrect bearing pressure for berthing impact reactions data.												

8.	08.08.2022	<p>TasPorts Mail Number: TASPORTS RFI-000101</p> <p>TasPorts serve an RFI requesting confirmation of “<i>the allowable bearing pressures for the two design ships per below table</i>”.</p> <table border="1" data-bbox="451 544 1289 719"> <thead> <tr> <th>Element</th> <th>Unit</th> <th>T3 Design Ship 1 22/10/21</th> <th>T3 Design Ship 1 Confirmed Aug 2022</th> <th>T3 Design Ship 2 Confirmed Aug 2022</th> </tr> </thead> <tbody> <tr> <td>Vessel Hull</td> <td>kN/m²</td> <td>1500kN/m²</td> <td></td> <td></td> </tr> <tr> <td>Sponson</td> <td>kN/m²</td> <td>1500kN/m²</td> <td></td> <td></td> </tr> <tr> <td>Stem Transom</td> <td>kN/m²</td> <td>1500kN/m²</td> <td></td> <td></td> </tr> </tbody> </table> <p>The accompanying email noted “<i>for SPOT 2 (Design Ship 2) the maximum was 3,000 kN/m for sponson and 200kN/m² for hull pressure indicated in P&M’s tenant works basis of design 20200509-DB-0001 per the Client Specification.</i>”</p>	Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022	Vessel Hull	kN/m ²	1500kN/m ²			Sponson	kN/m ²	1500kN/m ²			Stem Transom	kN/m ²	1500kN/m ²		
Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022																		
Vessel Hull	kN/m ²	1500kN/m ²																				
Sponson	kN/m ²	1500kN/m ²																				
Stem Transom	kN/m ²	1500kN/m ²																				
9.	19.08.2022	<p>TasPorts award the contract for the Landlord Works to Hazell Bros Group Pty Ltd and Brady Marine & Civil Pty Ltd joint venture partners (HBJV).</p>																				
10.	31.08.2022	<p>TT-Line Mail Number: TTLLine-RTRFI-000037</p> <p>TT-Line responds to the RFI of 08/08/22 again restating from 22/10/21 in the table that the required allowable bearing figures are 1500kN/m² as follows:</p> <table border="1" data-bbox="451 1066 1289 1263"> <thead> <tr> <th>Element</th> <th>Unit</th> <th>T3 Design Ship 1 NexGen 22/10/21</th> <th>T3 Design Ship 1 (NexGen) Confirmed Aug 2022</th> <th>T3 Design Ship 2 (SOT II) Confirmed Aug 2022</th> </tr> </thead> <tbody> <tr> <td>Vessel Hull</td> <td>kN/m²</td> <td>1500 kN/m²</td> <td>Confirmed</td> <td>200 kN/m²</td> </tr> <tr> <td>Sponson</td> <td>kN/m²</td> <td>1500 kN/m²</td> <td>Confirmed</td> <td>3000 kN/m</td> </tr> <tr> <td>Stem Transom</td> <td>kN/m²</td> <td>1500 kN/m²</td> <td>Confirmed</td> <td>TBC</td> </tr> </tbody> </table> <p>To avoid confusion, TT-Line incorporated the data provided in the email at Item 7 into the table and annotated it as it was referred to in the email.</p>	Element	Unit	T3 Design Ship 1 NexGen 22/10/21	T3 Design Ship 1 (NexGen) Confirmed Aug 2022	T3 Design Ship 2 (SOT II) Confirmed Aug 2022	Vessel Hull	kN/m ²	1500 kN/m ²	Confirmed	200 kN/m ²	Sponson	kN/m ²	1500 kN/m ²	Confirmed	3000 kN/m	Stem Transom	kN/m ²	1500 kN/m ²	Confirmed	TBC
Element	Unit	T3 Design Ship 1 NexGen 22/10/21	T3 Design Ship 1 (NexGen) Confirmed Aug 2022	T3 Design Ship 2 (SOT II) Confirmed Aug 2022																		
Vessel Hull	kN/m ²	1500 kN/m ²	Confirmed	200 kN/m ²																		
Sponson	kN/m ²	1500 kN/m ²	Confirmed	3000 kN/m																		
Stem Transom	kN/m ²	1500 kN/m ²	Confirmed	TBC																		
11.	05.09.2022	<p>TasPorts Mail Number: TASPORTS-RTRFI-000137</p> <p>TasPorts request further confirmation of the units for allowable pressures for the sponson of the NexGen vessels given the potential differences from the SPOT 2 pressures noting the final calculations based on the units provided for the allowable pressures are “<i>critical assumptions for fender design</i>”.</p>																				
12.	06.09.2022	<p>TT-Line Mail Number: TTLLine-RTRFI-000041</p> <p>TT-Line response to the RFI on 05/09/22 confirming the calculation assumptions and design requirements are correct and consistent with the information provided on 22 October 2021.</p>																				
13.	09.09.2022	<p>TasPorts Mail Number: TASPORTS-RTRFI-000138</p> <p>TasPorts requested a quick catch up with John Anastassiou and RMC without providing any detail regarding what the catch up is about.</p>																				
14.	19.12.2022	<p>TasPorts Mail Number: TASPORTS-RTRFI-000192</p>																				

		<p>TasPorts advised that the joint venture HBJV had requested further information/clarification around the NexGen allowable hull pressures noting this had been taken as far as possible previously and TasPorts had held off from requesting additional information “until the wharf designer was fully engaged.”</p> <p>A meeting of RMC, HBJV and TasPorts was proposed</p>																
15.	11.01.2023	<p>TasPorts Mail Number: TASPORTS-TENCCORR-000073</p> <p>TasPorts request a further meeting with the ship designer/naval architect to discuss the allowable hull pressures for the NexGen ships questioning the hull pressures that were previously advised on 22/10/2021 and confirmed by TT-Line on a number of occasions since.</p> <p>They note that the hull pressures for the sponson on the NexGen vessels are “5 times lower [sic] than that in section 5.2.3.1 of the ...” T3FUR.</p>																
16.	09.02.2023	<p>TasPorts Mail Number: TASPORTS-TENCCORR-000081</p> <p>TasPorts again seek confirmation of the hull/sponson pressures contained in the following table.</p> <table border="1"> <thead> <tr> <th>Element</th> <th>Unit</th> <th>T3 Design Ship 1 NexGen</th> <th>T3 Design Ship 2 (SOT II)</th> </tr> </thead> <tbody> <tr> <td>Vessel Hull</td> <td>kN/m²</td> <td>1500 kN/m²</td> <td>200 kN/m²</td> </tr> <tr> <td>Sponson</td> <td>kN/m²</td> <td>1500 kN/m²</td> <td>3000 kN/m²</td> </tr> <tr> <td>Stern Transom</td> <td>kN/m²</td> <td>1500 kN/m²</td> <td>TBC</td> </tr> </tbody> </table> <p>TasPorts advise they need further confirmation of the pressures so they can advise HBJV of the ‘change’.</p>	Element	Unit	T3 Design Ship 1 NexGen	T3 Design Ship 2 (SOT II)	Vessel Hull	kN/m ²	1500 kN/m ²	200 kN/m ²	Sponson	kN/m ²	1500 kN/m ²	3000 kN/m ²	Stern Transom	kN/m ²	1500 kN/m ²	TBC
Element	Unit	T3 Design Ship 1 NexGen	T3 Design Ship 2 (SOT II)															
Vessel Hull	kN/m ²	1500 kN/m ²	200 kN/m ²															
Sponson	kN/m ²	1500 kN/m ²	3000 kN/m ²															
Stern Transom	kN/m ²	1500 kN/m ²	TBC															
17.	09.02.2023	<p>TT-Line Mail Number: TTLLine-TENCCORR-000027</p> <p>TT-Line again confirms the pressure are as according to the table.</p>																
18.	10.03.2023	<p>TasPorts Document: 6A0000-TASP-1430-COM-NOT-0016 (the Notice)</p> <p>TasPorts serve a notice on TT-Line advising that as the required allowable sponson and hull bearing pressures have been varied from those stated at Section 5.2.3.1 of the T3FUR then pursuant to clause 15.4(b) the variation constitutes a request for a Landlord Works Variation (LWV).</p> <p>Pursuant to clause 15.4(d) of the AFL TasPorts also provides notice that it approves the LWV and the variation is hence an Approved Tenant Variation (ATV).</p> <p>TasPorts relies on the email exchange at Items 13, 14 and 15 as evidence of TT-Line’s request for a LWV.</p> <p>TasPorts provides an estimate of the cost of the Variation and the expected delay and flags a claim for EOT under the AFL.</p>																
19.	21.03.2023	<p>TasPorts Document: 6A0000-TASP-1430-COM-NOT-0018</p> <p>TasPorts provides an update on the estimate of the Variation Costs to complete the ATV</p>																

Landlord's Notice 019 (NOT019)

Landlord	Tasmanian Ports Corporation Pty Ltd ACN 114 161 938 ("TasPorts")
Tenant	TT-Line Company Pty Ltd ACN 061 996 174 ("TT-Line")
Agreement	Agreement for Lease Terminal 3, Berth 3E, Port of Devonport, East Devonport, made between TasPorts and TT-Line, dated 28 July 2022, ("AFL")
From	Name: [REDACTED] Position: Programme Manager (Authorised Representative) Email: [REDACTED]@tasports.com.au
To	Name: [REDACTED] (TT-Line), Position: Tenant Representative [REDACTED]@spiritoftasmania.com.au
CC	[REDACTED] (Landlord Representative), email [REDACTED]@tasports.com.au [REDACTED] (TT-Line General Counsel and Company Secretary), email [REDACTED]@spiritoftasmania.com.au
Transmission	Via Aconex only
Subject	Response to SOT-NOT-007 - Notice of Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure – VAR014
Document Number	6A0000-TASP-1430-COM-NOT-0019
Date	13/04/23
References	<ul style="list-style-type: none"> • Schedule 3 of the AFL – Landlord Works Design Documentation • Clauses 15.4, 72.4 • Landlord Notice 016 (NOT016) • TLine-TENCORR-000027 • TASPOTS-TENCORR-000006 • SOT-NOT-007 • TASPOTS-TRANSMIT-000027 • TLine-RTRFI-000016 • East Devonport Design Meeting 24/11/21 • East Devonport Design Meeting 8/12/21 • TLine-GCOR-000050 • TASPOTS-GCOR-003154 • TLine-GCOR-000058 • TASPOTS-GCOR-003193 • TASPOTS-GCOR-003881 (6A0000-TASP-1430-COM-NOT-0001) • TASPOTS-RFI-000101 • TLine-RTRFI-000037 • TASPOTS-RTRFI-000138 • TASPOTS-TENCORR-000073 • TLine-RTRFI-000041 • TASPOTS-TENCORR-000081 • TT-Line / TasPorts - Staging, Construction Program and Critical Design Interfaces Workshop 19/01/2023

	<ul style="list-style-type: none"> • Correspondence 2/3/2023 [REDACTED] to [REDACTED] Subject: FW: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5 • Correspondence 3/3/2023 [REDACTED] to [REDACTED] Subject: FW: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5
Attachments	None

[REDACTED]

Summary

1. A Landlord Works Variation is a change to the Landlord Works. Whether TT-Line has requested such a change depends upon a simple comparison between what the AFL originally required and what TT-Line now requires be built.
2. TT-Line requires allowable sponson and hull bearing pressures that differ from what the AFL originally specified.
3. Therefore, it is clear that TT-Line has requested a Landlord Works Variation.
4. Despite the above, TT-Line seeks to dispute the Variation Costs of the admitted change.
5. TT-Line says TasPorts was first advised of the now required bearing pressures on 22 October 2021 (by TTRLine-RTRFI-000016) prior to finalisation of the TT-Line Terminal 3 Functional User Requirements and Scope of Work Landlord Works ("T3 FUR") and execution of the AFL. TT-Line says that TasPorts erred in not including these bearing pressures in the T3 FUR and AFL (which included the T3 FUR).
6. TT-Line's contentions overlook that the T3 FUR containing the relevant figures was jointly prepared by TT-Line and TasPorts over a period of time from 2019 to its final agreement on 24/12/2021.
7. TT-Line's contentions overlook that the AFL (which included the T3 FUR) was also a mutually reviewed and agreed document.
8. TT-Line's contentions overlook that after receipt of the bearing pressures advised on 22 October 2021 (by TTRLine-RTRFI-000016):
 - a. TasPorts queried them in a design meeting on 24/11/2021. Given the query, TT-Line agreed to review its position on the figures when reviewing the then latest T3 FUR document.
 - b. The version of the T3 FUR then reviewed by TT-Line included the bearing pressure figures that were in the subsequently approved T3 FUR and the AFL subsequently executed. As part of TT-Line's review, TT-Line did not amend or comment on the figures despite making other amendments to the specific section of the T3 FUR in which they were contained.
 - c. There was further discussion on the topic of bearing pressures in a subsequent design meeting on 8/12/2021. Following this further discussion, TT-Line reviewed a further version of the T3 FUR. It made other comments on that further version but again did not amend or comment on the bearing pressures that it knew were included.
 - d. It was clear in the design meetings on 24/11/2021 and 8/12/2021 that TT-Line knew what bearing pressure figures the T3 FUR included.
9. Given the above, it is clear that TT-Line knew what figures the T3 FUR contained when it approved the T3 FUR on 24/12/2021 and prior to the execution of the AFL on 28/07/2022 and intended those figures be included. There was no mistake.
10. As per NOT016, under the AFL as written TasPorts is entitled to recover the cost impacts of implementing the change to the Landlord Works and an extension of time for time impacts of that change. The AFL is to be applied as written. Clause 72.4 of the AFL confirms that any pre-contractual correspondence (including TTRLine-RTRFI-000016) is superseded by the AFL and irrelevant to its interpretation. TT-Line has not identified any legal ground to depart from the AFL as written. The allegation that TasPorts erred in including the incorrect specifications is not such a ground. As above, there was no mistake.
11. Even if there was a mistake, which is contradicted by a complete chronology of the matter and denied, a contract may only be rectified by a Court for mistake in very limited circumstances none of which apply.
12. The end result is that TasPorts is entitled to recover the cost impacts of implementing the change to the Landlord Works and an extension of time for time impacts of that change.

The requested Landlord Works Variation

13. It is clear, per Landlord Notice 016 (NOT016) that TT-Line's requested change to allowable sponson and hull bearing pressure for Design Ship 1, constitutes a request for a Landlord Works Variation by TT-Line under clause 15.4 of the AFL.
14. The figures for allowable hull and sponson bearing pressures being requested by TT-Line are clearly different to Section 5.2.3.1 of the T3 FUR (contained within Schedule 3 of the AFL). For the avoidance of doubt:

Section 5.2.3.1 of the T3 FUR in the AFL provides that:

- *"The maximum berthing impact reaction on the vessel's sponson shall be limited to **3,000kN/m**";* and
- *"The maximum pressure imposed on the vessel hull under berthing impact shall be limited to **200kN/m²**" (emphasis added).*

TT-Line requested as per T3Line-TENCORR-000027 the following **proposed Landlord Works Variation** (for Design Ship 1 only):

- The maximum berthing impact reaction on the vessel's sponson (also known as the allowable sponson bearing pressure) shall be limited to **1,500kN/m²**, and
- The maximum pressure imposed on the vessel hull under berthing impact (also known as the allowable hull bearing pressure) shall be limited to **1,500kN/m²**.

15. Per Clause 15.4 (b) of the AFL TasPorts may at any time notify TT-Line it considers it has made a request for a Landlord Works Variation. It did so on 10 March 2023 by NOT016.
16. TT-Line suggests that TasPorts were first notified of the now required bearing pressures on 22 October 2021 (by T3Line-RTRFI-000016) prior to finalisation of the T3 FUR and execution of the AFL. For the reasons summarised at paragraph 8 above, neither party intended that these figures be incorporated in the T3 FUR that was subsequently approved or the AFL subsequently executed.
17. TT-Line further suggests that TasPorts was made aware of the required change after execution of the AFL but well in advance of 9 February 2023, being the date in NOT016 that TasPorts says the change was requested by TT-Line. However, during that intervening period, TT-Line's position was unclear including because:
 - a. TT-Line originally refused to provide the allowable sponson pressure in correct units (kN/m).
 - b. TT-Line refused to enable TasPorts project team to meet with yard or technical experts despite multiple requests.
 - c. TT-Line refused to close out multiple requests for information.
 - d. Contradictory and incomplete finite element analysis information was provided by TT-Line with no explanation despite requests.
 - e. As recently as March 2023 TasPorts received informal communication from P&M/RMC regarding hull pressures at 45kN/m² and 85kN/m² with TT-Line subsequently confirming 1,500kN/m².
18. In any event, even if it was accepted that the change was requested earlier (which is not agreed), that does not detract from the fact of there being a requested change to the Landlord Works and a subsequent Approved Tenant Variation.

There was no mistake in the T3 FUR

19. TasPorts strongly disagrees with TT-Line's assertion that it erred (SOT-NOT-007 Particulars of Dispute point 15) in the preparation of the T3 FUR. The T3 FUR was jointly prepared by TT-Line and TasPorts over a period of time from 2019 to its final agreement on 24/12/2021. TT-Line engaged their owners engineer to review the T3 FUR, and TasPorts received multiple rounds of comments from them on the T3 FUR from the 26/05/20 onwards.

20. The only communication prior to the T3 FUR being approved and the AFL (incorporating the T3 FUR) being executed that TT-Line has identified in support of its position that the T3 FUR should have included the 1,500kN/m² figures is at Item 4 of its chronology (being TLine-RTRFI-000016 dated 22/10/2021). TT-Line, however, omits the following from its chronology:
- TasPorts queried the bearing pressures provided in TLine-RTRFI-000016 in the East Devonport Design Meeting on 24/11/21. It was agreed that allowable hull and bearing pressures values were to be reviewed as part of the TT-Line review of the latest T3 FUR. It was clear in this meeting that TT-Line knew what figures the then latest T3 FUR document included.
 - TT-Line provided comments on the T3 FUR on 30/11/21 (TLine-GCOR-000050). TT-Line specifically marked up a number of parts of 5.2.3.1 of the T3 FUR but made no amendment to Section 5.2.3.1 of the T3 FUR which read *"The maximum berthing impact reaction on the 'vessel's sponson shall be limited to 3,000kN/m. The maximum pressure imposed on the vessel hull under berthing impact shall be limited to 200kN/m²."*. The mark up of the relevant section of the FUR provided by TT-Line on 30/11/21 is as follows:

~~The forward fenders system that the vessel is not in contact with when it is moored needs to be able to accommodate flare of the vessel bow when the vessel comes in contact with them during alongside berthing with the bow in port or starboard side to the berth.~~

The maximum berthing impact reaction on the 'vessel's sponson shall be limited to 3,000kN/m. The maximum pressure imposed on the vessel hull under berthing impact shall be limited to 200kN/m².

~~The side fender system design shall also allow for vessel berthing mode (b) in accordance with BS 6349-4:2014 Clause 4.5.2 consistent with the design assumptions for the stern fenders.~~
 - From the above, it is clear that TT-Line knew that the T3 FUR included the figures that it did.
 - The bearing pressures were again the topic of discussion in a further East Devonport Design Meeting on 8/12/21. It was again clear in this meeting that TT-Line knew what bearing pressure figures the T3 FUR included.
 - Following that further discussion regarding the bearing pressures, TT-Line were provided further opportunity to review the final version of the T3 FUR on 15/12/2021 (TASPORTS-GCOR-003154). Further TT-Line comments were received 20/12/2021 (TLine-GCOR-000058) again without amendment to the relevant section in 5.2.3.1 relating to allowable hull and sponson pressure.
 - A final version of the T3 FUR was provided to TT-Line on 22/12/2021 TASPORTS-GCOR-003193. Section 6 of the T3 FUR was signed as agreed by both TasPorts and TT-Line on 24/12/2021.
21. Given the above detail which was omitted from the TT-Line chronology, it is clear that there was no mistake. The document was mutually reviewed and agreed. Both parties intended for the T3 FUR and AFL to include the bearing pressure figures that it did.

There was no mistake in the Landlord Works Construction Contract

22. TasPorts strongly disagrees (SOT-NOT-007 Particulars of Dispute points 16-17) with TT-Line's assertions that there were errors in the tender or construction contract for Landlord Works Construction Contract for the Marine and Dredge Works. In this respect:
- Allowable hull and bearing pressures outlined in the tender documents (issued 11/01/2022) for the Landlord Works Construction Contract for the Marine and Dredge Works matched those figures outlined in section 5.2.3.1 of the T3 FUR agreed by TT-Line on 24/12/2021.
 - TasPorts provided TT-Line clear correspondence on 22 March 2022 (via TASPORTS-GCOR-003881) 6A0000-TASP-1430-COM-NOT-0001 that TasPorts was progressing the tender for Landlord Works Construction Contract for the Marine and Dredge Works on the basis of TT-Line's agreement of the T3 FUR on 24/12/2021.
 - TT-Line was fully aware, from this correspondence (TASPORTS-GCOR-003881) and its agreement of the T3 FUR on 24/12/21 of the allowable hull and sponson bearing pressures that were being used for the Landlord Works Construction Contract for the Marine and Dredge Works. TT-Line executed the AFL dated 28/7/2022 which included the T3 FUR (as schedule 3) and clearly included allowable hull and sponson bearing pressures agreed on 24/12/2021.

Outstanding RFIs

23. TasPorts would further note:

- a. TASPOTS-RFI-000101 has not been satisfactorily closed out by TT-Line. TasPorts requested on 9/9/2022 (via TASPOTS-RTRFI-000138) a meeting with TT-Line Design Ship 1 builder to attempt to close out the RFI. No response was ever provided by TT-Line to this correspondence. TasPorts followed up on this response 19/12/2022 again requesting a meeting with TT-Line Design Ship 1 builder to attempt to close out. No response was ever provided by TT-Line to this correspondence.
- b. TasPorts further followed up on 11/01/2023 (via TASPOTS-TENCORR-000073) requesting a meeting or some engagement with TT-Line Design Ship 1 builder along with requesting additional information be provided regarding a finite element analysis report provided by TT-Line in TTLine-RTRFI-000041. TasPorts followed up on this response on 9/2/2023 (via TASPOTS-TENCORR-000081). TT-Line responded on 9/2/2023 confirming the pressures. TT-Line has failed to address TasPorts request to engage with TT-Line Design Ship 1 builder or provide any detail on the finite element analysis report including TasPorts questions (in TASPOTS-TENCORR-000073) around whether this indicates allowable sponson bearing pressures of 1,700kN/m².
- c. During “T3 TT-Line / TasPorts - Staging, Construction Program and Critical Design Interfaces Workshop” conducted in TasPorts Devonport offices on 19/01/2023 allowable hull and sponson bearing pressures were further discussed. It was indicated in that meeting by TT-Line’s design consultant that the allowable hull and sponson bearing pressures did not make sense and that further follow up of the TT-Line Design Ship 1 builder would occur. TasPorts received correspondence on 2/3/2023 with information from TT-Line’s Design Ship 1 builder that the *“loading on side shell between decks 3 – 5 is 45 kN/m²”*. On the 3/3/2023 TasPorts received further advice that *“weakest point is at the HP 140x7 above deck 3 where the allowable loading is 85 kN/m². In way of decks the loading can of course be much higher.”*

Meeting

24. TasPorts confirms that its Chief Executive Officer has made availability to meet TT-Line’s Chief Executive Officer on 17/4/2023 and a time to meet is currently being confirmed.
25. The subject of this Dispute can only relate to the estimated Variation Cost or required extension of the Landlord Milestone Dates as per clauses 15.4(e)(iii) and 63.2 of the AFL (and not the existence of the Landlord Works Variation and subsequent Approved Tenant Variation).
26. In this regard, TasPorts would note:
 - a. The Variation Cost of \$6,000,000 (as provided and acknowledged in 6A0000-TASP-1430-COM-NOT-0016) was an initial estimate.
 - b. TasPorts has committed to provide an updated estimate of the Variation Cost to TT-Line once the full extent of the design rework and construction implications are understood.
 - c. Our team (including the Landlord’s Contractor under the Landlord Works Construction Contract for the Marine and Dredge Works) has been working diligently and transparently to ascertain and minimise the impact of this change in the best interest of TasPorts, TT-Line and the broader QuayLink project. In this regard we have provided TT Line (via 6A0000-TASP-1430-COM-NOT-0018) with an update of the design and cost implications of this change.
 - d. The presence of this Dispute further risks exacerbating the impact (time and cost) of this change and TasPorts is seeking a prompt resolution in the best interest of TasPorts, TT-Line and the broader QuayLink project.
27. If a resolution cannot be reached within 20 Business Days after receipt of TT-Line’s Dispute Notice, the next step in the dispute resolution procedure under clause 63.4 of the AFL is to appoint an Expert to determine the Dispute. TasPorts will provide a list of experts for TT-Line’s consideration so an Expert can be agreed by the parties and the resolution of this Dispute can be expedited to avoid risk of further delay to the QuayLink project.
28. TasPorts reserves all its rights.

Sincerely



Programme Manager Authorised Representative
For and on behalf of Tasmanian Ports Corporation Pty Ltd



Patrick Burke

From: [REDACTED] <[REDACTED]@spiritoftasmania.com.au>
Sent: Friday, 6 September 2024 5:12 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: Berth 1E contingency Berth

[External Email] This email was sent from outside of TasPorts; be cautious, particularly with links and attachments.

Hi [REDACTED],

In response to the functional requirements with 3 separate phases I'd like to comment as follows.

Phase 1

- Berthing parameters, having no tolerance on berthing angle is impractical and probably not achievable. SOT1V is a much larger vessel with greater windage, we cannot impose greater restrictions on berthing parameters over and above our existing vessels.
- Re-scheduling for arrival and departures is not acceptable. TT Line have previously stipulated that in order for Berth 1E upgrades to be acceptable our vessels must be able to operate our normal schedule with unimpeded port access both during and after construction phases. The added risk associated with additional vessel movements would be 3 fold and unacceptable.
- The use of existing mooring points would place added wind restrictions and limitations on SOT1V.
- Details of operational downtime would need to be advised, would these times be during the night when vessels are at sea?
- What is the timing of this phase, start to finish?

Phase 2

- Can the additional works to ramp be completed during times when the vessel is at sea?
- It has already been established that the existing fenders are not sufficient for SOT1V, these will need to be upgraded rather than imposing un realistic berthing angles.
- Berthing stern first is the desirable method and achieved on nearly all occasions however touching bow first due to various reasons does happen and has to be considered.
- Details of operational downtime need to be understood during this phase?

Phase 3

- Mooring Point / dolphin
 - Does the walkway extend to this mooring point? If not how would the vessel make fast, let go etc?
 - Are their limitations on mooring tensions?
 - Will this structure and the walkway leading be lit?
 - What are the expected restrictions that would need to be imposed during installation? How long will restrictions last?

Below are Vessel details tabled as 'Parameter' and Table 7 mooring line details that need correction.

- Hull pressure is 85kn/m2 (1500kN/m2 is the sponson only).
- Mooring lines 36/42mm Dia 12 strand plaited Acera HMPE core.
- Mooring line min breaking load is 106t unspliced.
- Winch brake payout 63.6t
- Winch brake limit 84.8t

It should be understood that SOT1V could only utilise Berth1E when all required works are completed and the NSVA by the Harbour Master has been approved.

Regards

██████████
General Manager Marine Operations



T: ██████████
M: ██████████
E: ██████████@spiritoftasmania.com.au
W: spiritoftasmania.com.au

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Connect with us:



A promotional banner for Spirit of Tasmania. On the left, a person in a yellow shirt and pink backpack stands on a ship's deck with arms outstretched, looking out at the ocean. Text on the left reads "Pack more in. Get 25% off.*". On the right, the Spirit of Tasmania logo is displayed above a red button that says "BOOK NOW". A small note at the bottom right of the banner says "↑Conditions apply".



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Landlord's Notice 35 (NOT035)

Landlord	Tasmanian Ports Corporation Pty Ltd ACN 114 161 938 ("TasPorts")
Tenant	TT-Line Company Pty Ltd ACN 061 996 174 ("TT-Line")
Agreement	Agreement for Lease for Terminal 3, Berth 3E, Port of Devonport, East Devonport, made between the Landlord, and Tenant, dated 28 July 2022, ("AFL")
From	Name: [REDACTED] Position: Programme Manager (Authorised Representative) Email: [REDACTED]
To	Name: [REDACTED] (TT-Line) Position: Tenant Representative Email: [REDACTED]
CC	Name: [REDACTED] (Authorised Representative) Email: [REDACTED] Name: [REDACTED] Email: [REDACTED]
Transmission	Via Aconex only
Subject	Revised Estimate of Variation Cost – Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure - VAR014
Document Number	6A0000-TASP-1430-COM-NOT-0035
Date	10 April 2024
References	Clause 15.4 of the AFL 6A0000-TASP-1430-COM-NOT-0016 attached to transmittal TASPSPORTS-TRANSMIT-001247 TTLine-RTRANSMIT-000036TTLine-TENCORR-000027
Attachments	Invoice COR06000

[REDACTED],
I refer to the following:

- TT-Line's request for a change to the allowable sponson and hull bearing pressure for Design Ship 1 dated 9 February 2023 (Aconex document ref: TTLine-TENCORR-000027);
- TasPorts' Landlord's Notice NOT016 with respect to TT-Line's request for a Landlord Works Variation (VAR014) dated 10 March 2023 (Aconex document ref: 6A0000-TASP-1430-COM-NOT-0016) attached to transmittal TASPSPORTS-TRANSMIT-001247;
- TT-Line's Tenant Notice SOT-NOT-008 dated 29 June 2023 accepting Approved Tenant Variation VAR014 (attached to Aconex document ref:TTLine-RTRANSMIT-000036); and
- Our meeting on 20 December 2023 (930am) where TasPorts presented the status of the Approved Tenant Variations including VAR014 (**20 December Meeting**).

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1 Franklin Wharf, Hobart
GPO Box 202 Hobart
Tasmania 7001

Background

On 10 March 2023, TasPorts issued Landlord Notice NOT016 (6A0000-TASP-1430-COM-NOT-0016) giving notice to TT-Line via transmittal TSPORTS-TRANSMIT-001247, in accordance with clause 15.4(b) of the AFL, that it deemed TT-Line's requested change to allowable sponson and hull bearing pressure for Design Ship 1 (as outlined TLine-TENCORR-000027) constituted a request for Landlord Works Variation (**Proposed Variation**).

In Landlord Notice NOT016, TasPorts also gave notice to TT-Line, in accordance with clause 15.4(d)(i) of the AFL, approving TT-Line's Proposed Variation which became **Approved Tenant Variation VAR014**. In accordance with clause 15.4(d)(i)(A) of the AFL, TasPorts' initial estimate of the Variation Cost was \$6,000,000.00 (excluding GST) based on an initial estimate provided by the Landlord's Contractor under the Landlord Works Construction Contract for the Marine and Dredge Works.

TasPorts noted that the estimated Variation Cost for Approved Tenant Variation VAR014 was an estimate only pending finalisation of the actual Variation Cost (including, but not limited to, the costs for completion of the design and construct of the revised fenders, fender blocks, headstocks and balance wharf structure under Landlord Works Construction Contract for the Marine and Dredge Works and other costs incurred by TasPorts (if any) with respect to the Approved Tenant Variation VAR014).

TasPorts foreshadowed that an updated estimate of the Variation Cost for Approved Tenant Variation VAR014 would be provided to TT-Line by TasPorts once the extent of the design rework and construction implications of Approved Tenant Variation VAR014 on the Landlord Works Construction Contract for the Marine and Dredge Works was understood. TasPorts reserved the right to invoice TT-Line for the updated estimated Variation Cost, and for the Costs incurred by TasPorts and/or which TasPorts may become liable for, of or incidental to the delay in relation to the Landlord Works and/or the Project.

On 29 June 2023, TT-Line issued Tenant Notice SOT-NOT-008 noting TasPorts' estimates and accepting Approved Tenant Variation VAR014 in accordance with clause 15.4(e)(i) of the AFL (attached to Aconex document ref:TLine-RTRANSMIT-000036). TT-Line also acknowledged an updated estimate of the Variation Cost would be provided by TasPorts.

[REDACTED] of TasPorts provided further details of the updated estimate of the Variation Costs regarding Approved Tenant Variation VAR014 to Will Harper of TT-Line during the 20 December Meeting.

Revised estimate of Variation Cost

As discussed in the 20 December Meeting, TasPorts has since received more information from the Landlord's Contractor, Hazell Brady JV and has a better understanding of the impact of Approved Tenant Variation VAR014 on the Landlord Works Construction Contract for the Marine and Dredge Works. Accordingly, TasPorts provides a revised estimate of the Variation Cost for Approved Tenant Variation VAR014 which is \$7,537,768.00 (plus GST).

Please refer to the attached supporting Tax Invoice COR06000 for payment by TT-Line within 20 Business Days of this notice, in accordance with clause 15.4(e)(i)(D) of the AFL.

This revised estimate includes the estimated design and construct costs associated with implementing Approved Tenant Variation VAR014 under the Landlord Works Construction Contract for the Marine and Dredge Works as

presented in the 20 December Meeting, but excludes TasPorts' other costs with respect to Approved Tenant Variation VAR014.

A final reconciliation to actual Variation Costs will be undertaken following completion of the works the subject of Approved Tenant Variation VAR014 in accordance with clause 15.4(g) of the AFL.

Sincerely

[Redacted Signature]

[Redacted Name]

Programme Manager Authorised Representative
For and on behalf of Tasmanian Ports Corporation Pty Ltd

**Tasmanian Ports Corporation Pty Ltd**

ABN 82 114 161 938

Head Office90-110 Willis St
PO Box 1060
Launceston, Tasmania, 7250

Tel:1300 366 742

TAX INVOICE No: COR06000

Date	10/04/2024
Page	1/2
Customer No.	TTL2201
Customer PO No.	
Total Due	\$8,291,544.80
Payable By	09/05/2024

TT-Line Company Pty Ltd

[REDACTED] – TT Line Company Pty Ltd

Number 1 Berth
Esplanade,
DEVONPORT TAS 7310

Description	QTY	Unit	Unit Price	Ex Tax Value	GST	Total Value
Contract No 70 Agreement for Lease Terminal 3 Berth 3E, Port of Devonport, Devonport East, Tasmania dated 28 July 2022. Approved Tenant Variation - VAR014 (Estimated Variation Costs for Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure).	1.0000	Each	\$7,537,768.00000	\$7,537,768.00	\$753,776.80	\$8,291,544.80

TRADING TERMS - 20 BUSINESS DAYS (OR 29 DAYS)

Directly Deposit to our account CBA BSB 067-000 A/C 00000360
Please quote your Customer Number as your reference number
Remittance advice to: accountsreceivable@tasports.com.au

SUB-TOTAL EX GST	\$7,537,768.00
GST	\$753,776.80
TOTAL VALUE	\$8,291,544.80



TasPorts

Tasmanian Ports Corporation Pty Ltd

ABN 82 114 161 938

Head Office

90-110 Willis St

PO Box 1060

Launceston, Tasmania, 7250

Tel: 1300 366 742

TAX INVOICE No: COR06000

Date	10/04/2024
Page	2/2
Customer No.	TTL2201
Customer PO No.	
Total Due	\$8,291,544.80
Payable By	09/05/2024



Credit card payments can be made via www.tasports.com.au/payments
Please quote your Customer Number as your reference number



TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Request For Information	TASPORTS-RFI-000101	TASPORTS-RFI-000101

Allowable bearing pressures - Design Ship 1 and 2

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc (3) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+2 more...)

Sent Monday, 8 August 2022 3:04:42 PM AEST (GMT +10:00)

Respond by **15/08/2022**

Status **Responded**

DETAILS

RFI Status Issued

Date Issued 08/08/2022

RFI - Due by Date 15/08/2022

Location 6A0000 - Berth 3E

Project WP 3.1 T3 Dredging and Marine Construction

Details

MESSAGE

Hi [REDACTED],

Could you please confirm the allowable bearing pressures for the two design ships per below table?

As background TT Line provided allowable pressure of 1500 Kn/m² for hull and sponson for Next Gen (Design Ship 1) as part of the Ship to Shore RFI on 22/10/21. Typically a sponson pressures would be provided in kN/m units. For SPOT 2 (Design Ship 2) the maximum was 3,000kN/m for sponson and 200kN/m² for hull pressure indicated in P&M's tenant works basis of design 202000509-DB-0001 per the Client Specification.

These are critical assumptions to the fender design. If you have any queries, let me know or can discuss at integration meeting Wednesday.

Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022
Vessel hull	kN/m ²	1500Kn/m2		
Sponson	kN/m	1500Kn/m2		
Stern transom	kN/m ²	1500Kn/m2		

Regards

Pat

[Redacted] | Project Manager
Tasmanian Ports Corporation

T | M [Redacted] | E [Redacted]@tasports.com.au | www.tasports.com.au
Hobart TAS 7000 | GPO Box 202, Hobart 7001

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CONFIDENTIAL



TASMANIAN PORTS CORPORATION PTY LTD
18 Hunter Street
Hobart
Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to Transmittal	TASPORTS-RTRANSMIT-000619	TASPORTS-TRANSMIT-001255

Re: C70 - TasPorts TT Line AFL - NOT018 - VAR014 update

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc (3) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+2 more...)

Sent Thursday, 13 April 2023 4:19:09 PM AEST (GMT +10:00)

Status N/A

FILE ATTACHMENTS (1)

File Name
6A0000-TASP-1430-COM-NOT-0019.pdf

MESSAGE

Good afternoon [REDACTED],

Please refer attached response to TT Line Notice SOT-NOT-007 relating to Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Bearing Pressure – VAR014.

Understanding you may currently be unavailable I have included [REDACTED] and [REDACTED] in this correspondence who may be able to circulate this response, as appropriate, prior to the CEO meeting next week.

Regards

Pat

[REDACTED] | Project Manager
Tasmanian Ports Corporation
T | M [REDACTED] | **E** [REDACTED]@tasports.com.au | www.tasports.com.au
 Hobart TAS 7000 | GPO Box 202, Hobart 7001

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From: [REDACTED]
Sent: 31/03/2023 5:52:51 PM AEDT (GMT +11:00)
To: [REDACTED]
Cc: [REDACTED]
Mail Number: TLine-RTRANSMIT-000029
Subject: Re: C70 - TasPorts TT Line AFL - NOT018 - VAR014 update

Good evening [REDACTED],

Please find attached Tenant Notice 007 in response to TasPort's Notice of Approved Variation 014 - Change in Design Ship 1 Allowable Hull and Sponson Pressure.

Kind regards,

[REDACTED]

[REDACTED]

Senior Project Manager

Spirit of Tasmania
M: [REDACTED]
E: [REDACTED]@spiritoftasmania.com.au
W: spiritoftasmania.com.au

From: [REDACTED]
Sent: 21/03/2023 1:13:42 PM AEDT (GMT +11:00)
To: [REDACTED]
Cc: [REDACTED]
Mail Number: TSPORTS-TRANSMIT-001255
Subject: C70 - TasPorts TT Line AFL - NOT018 - VAR014 update

Contract Number:	6A0000-C070
-------------------------	-------------

Afternoon [REDACTED],

Further to discussion on Friday please refer attached information relating to Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Pressure - VAR014.

Any queries, please let me know.

Regards

██████████ | Project Manager

Tasmanian Ports Corporation

T | M ██████████ | E ██████████@tasports.com.au | www.tasports.com.au

Hobart TAS 7000 | GPO Box 202, Hobart 7001

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TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to RFI	TASPORTS-RTRFI-000137	TASPORTS-RFI-000101

Re: Allowable bearing pressures - Design Ship 1 and 2

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To (2) [REDACTED] - TT Line Company Pty Ltd (+1 more...)

Cc (4) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+3 more...)

Sent Monday, 5 September 2022 12:26:35 PM AEST (GMT +10:00)

Respond by **07/09/2022**

Status **Responded**

DETAILS

Location 6A0000 - Berth 3E

Discipline zDE - Marine

Other References

Details Confirmation provided in the Table

Response Please confirm units for allowable sponson pressures

MESSAGE

Hi [REDACTED],

Are you able to confirm the units for the allowable pressures for the sponson of the T3 Design Ship 1 (Next Gen) please? We originally requested it in kN/m but has been provided as 1500 kN/m² to date.

If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm sponson). It seems counterintuitive the allowable hull pressure is over 7 times higher for the next gen ship (than SPOT2) but the allowable sponson pressure is almost 5 times less?

These are critical assumptions for fender design.

Regards

[REDACTED]

[REDACTED] | Project Manager
Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au
 Hobart TAS 7000 | GPO Box 202, Hobart 7001

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From: [REDACTED]
Sent: 31/08/2022 12:16:05 AM AEST (GMT +10:00)
To: [REDACTED]
Cc: [REDACTED]
Mail Number: TTLLine-RTRFI-000037
Subject: Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Please see response in the Table.

Hi [REDACTED],

Please see the table below with confirmation on the allowable bearing pressures. I am chasing up the Stern Transom for the Design Ship 2 (SOT II) and will provide this at the earliest opportunity.

Element	Unit	T3 Design Ship 1	T3 Design Ship 1	T3 Design Ship 2
		NexGen	(NexGen)	(SOT II)
		22/10/21	Confirmed Aug 2022	Confirmed Aug 2021
Vessel hull	kN/m ²	1500kN/m ²	Confirmed	200kN/m ²
Sponson	kN/m	1500kN/m ²	Confirmed	3000kN/m
Stern transom	kN/m ²	1500kN/m ²	Confirmed	TBC

Kind regards,

[REDACTED]

From: [REDACTED]**Sent:** 08/08/2022 3:04:42 PM AEST (GMT +10:00)**To:** [REDACTED]**Cc:** [REDACTED]**Mail Number:** TASPORTS-RFI-000101**Subject:** Allowable bearing pressures - Design Ship 1 and 2

RFI Status:	Issued
Date Issued:	08/08/2022
RFI - Due by Date:	15/08/2022
Location:	6A0000 - Berth 3E
Project:	WP 3.1 T3 Dredging and Marine Construction
Details:	

Hi [REDACTED],

Could you please confirm the allowable bearing pressures for the two design ships per below table?

As background TT Line provided allowable pressure of 1500 Kn/m² for hull and sponson for Next Gen (Design Ship 1) as part of the Ship to Shore RFI on 22/10/21. Typically a sponson pressures would be provided in kN/m units. For SPOT 2 (Design Ship 2) the maximum was 3,000kN/m for sponson and 200kN/m² for hull pressure indicated in P&M's tenant works basis of design 202000509-DB-0001 per the Client Specification.

These are critical assumptions to the fender design. If you have any queries, let me know or can discuss at integration meeting Wednesday.

Element	Unit	T3 Design Ship 1	T3 Design Ship 1	T3 Design Ship 2
		22/10/21	Confirmed Aug 2022	Confirmed Aug 2021
Vessel hull	kN/m ²	1500Kn/m²		
Sponson	kN/m	1500Kn/m²		
Stern transom	kN/m ²	1500Kn/m²		

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports CorporationT | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

Hobart TAS 7000 | GPO Box 202, Hobart 7001

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TASMANIAN PORTS CORPORATION PTY LTD
18 Hunter Street
Hobart
Tasmania 7000 Australia

MAIL TYPE: Response to RFI
MAIL NUMBER: TASPORTS-RTRFI-000138
REFERENCE NUMBER: TASPORTS-RFI-000101

Re: Allowable bearing pressures - Design Ship 1 and 2

From: [Redacted] - TASMANIAN PORTS CORPORATION PTY LTD
To: [Redacted] - TT Line Company Pty Ltd
Cc (3): [Redacted] - TASMANIAN PORTS CORPORATION PTY LTD (+2 more...)
Sent: Friday, 9 September 2022 10:01:06 AM AEST (GMT +10:00)
Status: N/A

DETAILS

Location: 6A0000 - Berth 3E
Discipline: zDE - Marine
Other References:
Details: Confirmation provided in the Table
Response: Units confirmed as per the below.
Included is some commentary to provide some context.

MESSAGE

[Redacted], thanks for confirming.
[Redacted], as discussed would it be possible to arrange a quick catch up with [Redacted] one afternoon next week (Wednesday or Thursday). We would have myself, [Redacted] in attendance.

Regards

[Redacted]

[Redacted] | Project Manager
Tasmanian Ports Corporation
T | M [Redacted] | E [Redacted]@tasports.com.au | www.tasports.com.au
Hobart TAS 7000 | GPO Box 202, Hobart 7001

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From: [REDACTED]
Sent: 06/09/2022 2:31:37 PM AEST (GMT +10:00)
To: [REDACTED]
Cc: [REDACTED]
Mail Number: TTRLine-RTRFI-000041
Subject: Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Units confirmed as per the below. Included is some commentary to provide some context.

Hi [REDACTED],

Hopefully this response can provide some clarity on the design requirements.

1. Are you able to confirm the units for the allowable pressures for the sponson of the T3 Design Ship 1 (Next Gen) please?
 We originally requested it in kN/m but has been provided as 1500 kN/m² to date.

Refer response to item 2.

2. If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm vertical height of fender attached to the sponson).
 Breaking down your question. If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm sponson). That is correct Sponson fender measures 31m x .413m=12.803m², Therefore 1500kN/m² x 12.803m²= 19202 kN total can be taken by the entire length of the sponson.
 Therefore the sponson fender being 31m wide (19202kN/31m) can take a load of 619 kN per metre of length.

3. It seems counterintuitive the allowable hull pressure is over 7 times higher for the next gen ship (than SPOT2) but the allowable sponson pressure is almost 5 time less?

The 1500kN/m² was supplied by the vessels hull designers and has been checked FE analysis, see attached extract which is in the order of 1700kN/m².

Kind regards,

[REDACTED]

From: [REDACTED]**Sent:** 05/09/2022 12:26:35 PM AEST (GMT +10:00)**To:** [REDACTED]**Cc:** [REDACTED]**Mail Number:** TASPORTS-RTRFI-000137**Subject:** Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Please confirm units for allowable sponson pressures

Hi [REDACTED],

Are you able to confirm the units for the allowable pressures for the sponson of the T3 Design Ship 1 (Next Gen) please? We originally requested it in kN/m but has been provided as 1500 kN/m² to date.

If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm sponson). It seems counterintuitive the allowable hull pressure is over 7 times higher for the next gen ship (than SPOT2) but the allowable sponson pressure is almost 5 time less?

These are critical assumptions for fender design.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports Corporation**T | M** [REDACTED] | **E** [REDACTED]@tasports.com.au | www.tasports.com.au

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From: [REDACTED]**Sent:** 31/08/2022 12:16:05 AM AEST (GMT +10:00)**To:** [REDACTED]**Cc:** [REDACTED]**Mail Number:** TTRLine-RTRFI-000037

Subject: Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Please see response in the Table.

Hi [REDACTED]

Please see the table below with confirmation on the allowable bearing pressures. I am chasing up the Stern Transom for the Design Ship 2 (SOT II) and will provide this at the earliest opportunity.

Element	Unit	T3 Design Ship 1	T3 Design Ship 1	T3 Design Ship 2
		NexGen 22/10/21	(NexGen) Confirmed Aug 2022	(SOT II) Confirmed Aug 2022
Vessel hull	kN/m ²	1500kN/m ²	Confirmed	200kN/m ²
Sponson	kN/m	1500kN/m ²	Confirmed	3000kN/m
Stern transom	kN/m ²	1500kN/m ²	Confirmed	TBC

Kind regards,
[REDACTED]

From: [REDACTED]

Sent: 08/08/2022 3:04:42 PM AEST (GMT +10:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-RFI-000101

Subject: Allowable bearing pressures - Design Ship 1 and 2

RFI Status:	Issued
Date Issued:	08/08/2022
RFI - Due by Date:	15/08/2022
Location:	6A0000 - Berth 3E
Project:	WP 3.1 T3 Dredging and Marine Construction
Details:	

Hi [REDACTED],

Could you please confirm the allowable bearing pressures for the two design ships per below table?

As background TT Line provided allowable pressure of 1500 Kn/m² for hull and sponson for Next Gen (Design Ship 1) as part of the Ship to Shore RFI on 22/10/21. Typically a sponson pressures would be provided in kN/m units. For SPOT 2 (Design Ship 2) the maximum was 3,000kN/m for sponson and 200kN/m² for hull pressure indicated in P&M's tenant works basis of design 202000509-DB-0001 per the Client Specification.

These are critical assumptions to the fender design. If you have any queries, let me know or can discuss at integration meeting Wednesday.

Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022
Vessel hull	kN/m ²	1500Kn/m2		
Sponson	kN/m	1500Kn/m2		
Stern transom	kN/m ²	1500Kn/m2		

Regards



██████████ | Project Manager

Tasmanian Ports Corporation

T | M ██████████ | E ██████████@tasports.com.au | www.tasports.com.au

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TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to RFI	TASPORTS-RTRFI-000192	TASPORTS-RFI-000101

Re: Allowable bearing pressures - Design Ship 1 and 2

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc (3) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+2 more...)

Sent Monday, 19 December 2022 9:47:15 AM AEDT (GMT +11:00)

Status N/A

DETAILS

Location 6A0000 - Berth 3E

Discipline zDE - Marine

Other References

Details Confirmation provided in the Table

Response Units confirmed as per the below.
Included is some commentary to provide some context.

MESSAGE

Hi [REDACTED],

HBJV has requested further information/clarification around the design ship 1 allowable hull pressures. My recollection was TT Line and TasPorts took this as far as we could previously and the next step was a meeting with the Ship Yard/Designer. We had held off requesting this until the wharf designer was fully engaged.

Would it be possible to arrange a meeting with the Ship Yard, HBJV ([REDACTED]) and TasPorts ([REDACTED]) to discuss this further? We can work around time zones at their convenience.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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From: [REDACTED]
Sent: 06/09/2022 2:31:37 PM AEST (GMT +10:00)
To: [REDACTED]
Cc: [REDACTED]
Mail Number: TLine-RTRFI-000041
Subject: Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Units confirmed as per the below. Included is some commentary to provide some context.

Hi [REDACTED],

Hopefully this response can provide some clarity on the design requirements.

1. Are you able to confirm the units for the allowable pressures for the sponson of the T3 Design Ship 1 (Next Gen) please? We originally requested it in kN/m but has been provided as 1500 kN/m² to date.

Refer response to item 2.

2. If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm vertical height of fender attached to the sponson).

Breaking down your question. If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm sponson). That is correct Sponson fender measures 31m x .413m=12.803m², Therefore 1500kN/m² x 12.803m²= 19202 kN total can be taken by the entire length of the sponson.

Therefore the sponson fender being 31m wide (19202kN/31m) can take a load of 619 kN per metre of length.

3. It seems counterintuitive the allowable hull pressure is over 7 times higher for the next gen ship (than SPOT2) but the allowable sponson pressure is almost 5 time less?

The 1500kN/m² was supplied by the vessels hull designers and has been checked FE analysis, see attached extract which is in the order of 1700kN/m².

Kind regards,
[REDACTED]

From: [REDACTED]**Sent:** 05/09/2022 12:26:35 PM AEST (GMT +10:00)**To:** [REDACTED]**Cc:** [REDACTED]**Mail Number:** TASPORTS-RTRFI-000137**Subject:** Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Please confirm units for allowable sponson pressures

Hi [REDACTED],

Are you able to confirm the units for the allowable pressures for the sponson of the T3 Design Ship 1 (Next Gen) please? We originally requested it in kN/m but has been provided as 1500 kN/m² to date.

If correct 1500 kN/m² would relate to 619.5 kN/m (based on 413mm sponson). It seems counterintuitive the allowable hull pressure is over 7 times higher for the next gen ship (than SPOT2) but the allowable sponson pressure is almost 5 time less?

These are critical assumptions for fender design.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports Corporation**T** | **M** [REDACTED] | **E** [REDACTED]@tasports.com.au | www.tasports.com.au

Hobart TAS 7000 | GPO Box 202, Hobart 7001

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From: [REDACTED]**Sent:** 31/08/2022 12:16:05 AM AEST (GMT +10:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TTRLine-RTRFI-000037

Subject: Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Please see response in the Table.

Hi [REDACTED],

Please see the table below with confirmation on the allowable bearing pressures. I am chasing up the Stern Transom for the Design Ship 2 (SOT II) and will provide this at the earliest opportunity.

Element	Unit	T3 Design Ship 1	T3 Design Ship 1	T3 Design Ship 2
		NexGen	(NexGen)	(SOT II)
		22/10/21	Confirmed Aug 2022	Confirmed Aug 2022
Vessel hull	kN/m ²	1500kN/m2	Confirmed	200kN/m ²
Sponson	kN/m	1500kN/m2	Confirmed	3000kN/m
Stern transom	kN/m ²	1500kN/m2	Confirmed	TBC

Kind regards,

[REDACTED]

From: [REDACTED]

Sent: 08/08/2022 3:04:42 PM AEST (GMT +10:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-RFI-000101

Subject: Allowable bearing pressures - Design Ship 1 and 2

RFI Status:	Issued
Date Issued:	08/08/2022
RFI - Due by Date:	15/08/2022
Location:	6A0000 - Berth 3E
Project:	WP 3.1 T3 Dredging and Marine Construction
Details:	

Hi [REDACTED],

Could you please confirm the allowable bearing pressures for the two design ships per below table?

As background TT Line provided allowable pressure of 1500 Kn/m² for hull and sponson for Next Gen (Design Ship 1) as part of the Ship to Shore RFI on 22/10/21. Typically a sponson pressures would be provided in kN/m units. For SPOT 2 (Design Ship 2) the maximum was 3,000kN/m for sponson and 200kN/m² for hull pressure indicated in P&M's tenant works basis of design 202000509-DB-0001 per the Client Specification.

These are critical assumptions to the fender design. If you have any queries, let me know or can discuss at integration meeting Wednesday.

Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022
Vessel hull	kN/m ²	1500Kn/m ²		
Sponson	kN/m	1500Kn/m ²		
Stern transom	kN/m ²	1500Kn/m ²		

Regards

■

■ | Project Manager

Tasmanian Ports Corporation

T | M ■ | E ■@tasports.com.au | www.tasports.com.au

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TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE

Tenant Correspondence

MAIL NUMBER

TASPORTS-TENCORR-000073

REFERENCE NUMBER

TASPORTS-TENCORR-000073

T3 Design Ship 1 - Allowable Hull Pressures - request to meet with ship designer

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Sent Wednesday, 11 January 2023 11:59:42 AM AEDT (GMT +11:00)

Respond by **17/01/2023**

Status **Responded**

DETAILS

Tenant Type Notice

Contract Number 6A0000-C070

MESSAGE

Hi [REDACTED],

Per discussion can we please orgnaise a meeting with the Ship Designer/Naval Architect to discuss our queries around the allowable hull pressures for T3 Design Ship 1. HBJV has now raised similar issues to TasPorts and we are again querying allowable bearing pressures for the Vessel Hull and Sponson highlighted below.

Based on the latest response from TT Line (TTLine-RTRFI-000041) it was indicated that the allowable bearing pressures were per the table below. I'd note that the allowable bearing pressures for the sponson for Design Ship 1 are nearly 5 times lower than that in section 5.2.3.1 of the Functional User Requirements.

Element	Unit	T3 Design Ship 1	T3 Design Ship 2
		Next Gen	(SOT II)
Vessel hull	kN/m ²	1500kN/m2	200kN/m ²
Sponson	Varies	1500kN/m2 (619kN/m)	3000kN/m
Stern transom	kN/m ²	1500kN/m2	TBC

Included in the latest correspondence (TTLIne-RTRFI-00004) was a snippet from a FEA report (entitled FE Analysis Sponson) authored by Bluetech Finland which appeared to show varying plate thicknesses of the hull. The correspondence noted that the 1500kN/m² was based on an order of magnitude allowable sponson pressure of 1700kN/m² from this analysis. The snippet highlighted a colored area at the stern relating to around 17 (mm?). This has been difficult to interpret or rationalise back allowable sponson pressure. It would be useful if our engineering team had full access to the FEA report or any other relevant design information prior to the proposed meeting.

If you would like any further information, please let me know.

Regards



██████████ | Project Manager

Tasmanian Ports Corporation

T | M ██████████ | E ██████████@tasports.com.au | www.tasports.com.au

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TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Tenant Correspondence	TASPORTS-TENCORR-000081	TASPORTS-TENCORR-000073

Re: T3 Design Ship 1 - Allowable Hull Pressures - request to meet with ship designer

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Sent Thursday, 9 February 2023 7:57:04 AM AEDT (GMT +11:00)

Status N/A

DETAILS

Tenant Type Notice

Contract Number 6A0000-C070

MESSAGE

Morning [REDACTED],

Per discussion yesterday can you please confirm below hull/sponson pressure so we can direct HBJV of this change.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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From: [REDACTED]**Sent:** 11/01/2023 11:59:42 AM AEDT (GMT +11:00)**To:** [REDACTED]**Cc:** [REDACTED]**Mail Number:** TASPORTS-TENCCORR-000073**Subject:** T3 Design Ship 1 - Allowable Hull Pressures - request to meet with ship designer

Tenant Type:	Notice
Contract Number:	6A0000-C070

Hi [REDACTED],

Per discussion can we please orgnaise a meeting with the Ship Designer/Naval Architect to discuss our queries around the allowable hull pressures for T3 Design Ship 1. HBJV has now raised similar issues to TasPorts and we are again querying allowable bearing pressures for the Vessel Hull and Sponson highlighted below.

Based on the latest response from TT Line (TTLine-RTRFI-000041) it was indicated that the allowable bearing pressures were per the table below. I'd note that the allowable bearing pressures for the sponson for Design Ship 1 are nearly 5 times lower than that in section 5.2.3.1 of the Functional User Requirements.

Element	Unit	T3 Design Ship 1	T3 Design Ship 2
		Next Gen	(SOT II)
Vessel hull	kN/m ²	1500kN/m2	200kN/m ²
Sponson	Varies	1500kN/m2 (619kN/m)	3000kN/m
Stern transom	kN/m ²	1500kN/m2	TBC

Included in the latest correspondence (TTLine-RTRFI-00004) was a snippet from a FEA report (entitled FE Analysis Sponson) authored by Bluetech Finland which appeared to show varying plate thicknesses of the hull. The correspondence noted that the 1500kN/m² was based on an order of magnitude allowable sponson pressure of 1700kN/m² from this analysis. The snippet highlighted a colored area at the stern relating to around 17 (mm?). This has been difficult to interpret or rationalise back allowable sponson pressure. It would be useful if our engineering team had full access to the FEA report or any other relevant design information prior to the proposed meeting.

If you would like any further information, please let me know.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports CorporationT | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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TASMANIAN PORTS CORPORATION PTY LTD
 18 Hunter Street
 Hobart
 Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Tenant Correspondence	TASPORTS-TENCORR-000085	TASPORTS-TENCORR-000085

Allowable bearing pressure - Design Ship 1

From ██████████ - TASMANIAN PORTS CORPORATION PTY LTD

To (2) ██████████ - TT Line Company Pty Ltd (+1 more...)

Cc (2) ██████████ - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Sent Thursday, 2 March 2023 4:56:15 PM AEDT (GMT +11:00)

Status N/A

DETAILS

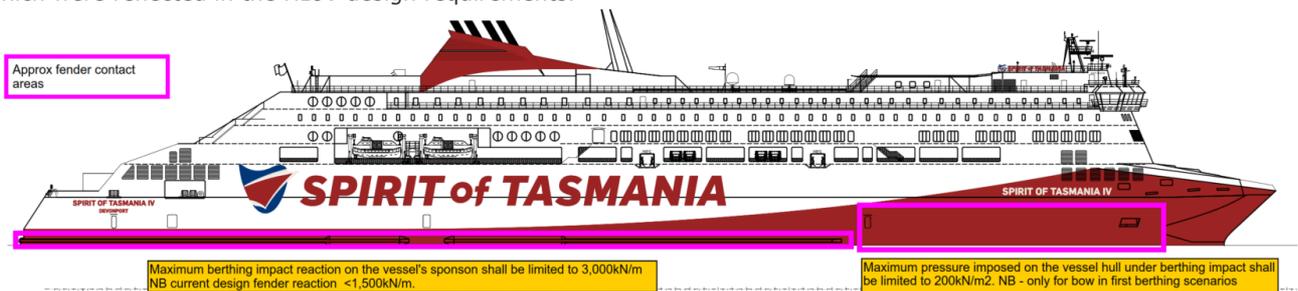
Tenant Type Notice

Contract Number 6A0000-C070

MESSAGE

Afternoon ██████,

As discussed we still appear to have a misunderstanding between the requirements for allowable bearing pressure. Both the allowable sponson and hull pressures remain critical inputs. Below are the requirements in section 5.2.3.1 of the FUR which were reflected in the HBJV design requirements.



TT Line (TTLine-TENCORR-000027) recently confirmed the values in the table below. The allowable hull pressure indicated is significantly higher and the allowable sponson pressure significantly lower than the FUR requirements (and also the corresponding current SPOT allowances). The reduction in allowable sponson pressure will significantly impact the design, cost and timeframe of the delivery of the Landlord Works and we again request your urgent clarification.

T3 Design Ship 1 1

Element	Unit	Next Gen
Vessel hull	kN/m ²	1500kN/m ²
Sponson	Varies	1500kN/m ² (619kN/m)
Stern transom	kN/m ²	1500kN/m ²

Please let me know if you would like to discuss further or require any further information.

Regards

■

■ | Project Manager

Tasmanian Ports Corporation

T | M ■ | E ■@tasports.com.au | www.tasports.com.au

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From: ■@portsmaritime.com>

Sent: Thursday, 2 March 2023 11:01

To: ■@tasports.com.au>

Cc: ■@spiritoftasmania.com.au>; ■

■@spiritoftasmania.com.au>; ■@portsmaritime.com>

Subject: FW: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5

[External Email] This email was sent from outside of TasPorts; be cautious, particularly with links and attachments.

Hi ■

Please see below response from the ship builders.

This seems very low but that's all we have got officially.

Cheers

■

■

Managing Director | P&M Consultants Pty Ltd

World Trade Centre I Tower 4 I Level 10
18-38 Siddeley Street, Melbourne, Vic 3005 Australia

██████████@portsmaritime.com | Phone : ██████████
<https://portsmaritime.com/>

From: ██████████@spiritoftasmania.com.au>
Sent: Wednesday, 1 March 2023 10:36 PM
To: ██████████@portsmaritime.com>
Subject: Fwd: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5

Sent from my iPad

Begin forwarded message:

From: ██████████@rmcfinland.fi>
Date: 1 March 2023 at 22:14:42 AEDT
To: ██████████@spiritoftasmania.com.au>, ██████████@rmcfinland.fi>
Cc: ██████████@spiritoftasmania.com.au>, ██████████@spiritoftasmania.com.au>, ██████████@spiritoftasmania.com.au>, ██████████@spiritoftasmania.com.au>
Subject: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5

Hi ██████████,

The loading on side shell between decks 3 – 5 is 45 kN/m².
If you should need more info please don't hesitate to contact me.

Best Regards,

██████████
Manager, Hull Engineering

██████████@rmcfinland.fi



Suojantie 5, 26100 Rauma, Finland
www.rmcfinland.fi

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6A0000 Devonport East Reconfiguration

Tas Ports Associattion
 90-110 Willis Street
 Launceston
 Tasmania 7250 Australia

TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street
 Hobart
 Tasmania 7000 Australia

MAIL TYPE
 Transmittal

MAIL NUMBER
 TASPORTS-TRANSMIT-000027

REFERENCE NUMBER
 TASPORTS-TRANSMIT-000027

TT Line Functional User Requirements

From ██████████ - TASMANIAN PORTS CORPORATION PTY LTD

To ██████████ - TT Line Company Pty Ltd

Cc (2) ██████████ - TASMANIAN PORTS CORPORATION PTY LTD
 ██████████ - TASMANIAN PORTS CORPORATION PTY LTD

Sent Wednesday, 25 March 2020 1:51:04 PM AEDT (GMT +11:00)

Reason Issued for Review

Status N/A

DOCUMENT ATTACHMENTS (5)

(0 selected)						
File	Document No	Revision	Revision Date	Title	Status	
	6A0000-0010-GA-FUN-0010	A	05/03/2020	Berth 3E Functional Requirements (TT-Line) Layout	Concept Design	
	6A0000-0010-GA-FUN-0011	A	05/03/2020	Berth 3E Functional Requirements (TT-Line) Shore Ramp Plan & Sections	Concept Design	
	6A0000-0010-GA-FUN-0012	A	05/03/2020	Berth 3E Functional Requirements (TT-Line) Shore Ramp Elevation; Operating Water Levels	Concept Design	
	6A0000-0010-GA-FUN-0013	A	05/03/2020	Berth 3E Functional Requirements (TT-Line) Shore Ramp Elevation; Extreme Water Levels	Concept Design	
	6A0000-TASPORTS-COM-ARG-0007	E	10/03/2020	Functional User Requirements - TT-Line	For Review	

MESSAGE

Hi ██████████,

Please refer attached transmitted functional user requirements documents as of email last night.

Regards

██████████ | Project Manager

Tasmanian Ports Corporation

T | M ██████████ | E ██████████@tasports.com.au | www.tasports.com.au

Hobart TAS 7000 | GPO Box 202, Hobart 7001

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TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Transmittal	TASPORTS-TRANSMIT-001247	TASPORTS-TRANSMIT-001247

C70 - TasPorts TT Line AFL - NOT016 Notice of Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Pressure - VAR014

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

Sent Friday, 10 March 2023 4:12:19 PM AEDT (GMT +11:00)

Reason Issued for Review

Status N/A

DETAILS

Contract Number 6A0000-C070

DOCUMENT ATTACHMENTS (1)

(0 selected)					
File	Document No	Revision	Revision Date	Title	Status
	6A0000-TASP-1430-COM-NOT-0016	0	10/03/2023	C70 - TasPorts TT Line AFL - NOT016 Notice of Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Pressure - VAR014	For Information

MESSAGE

Afternoon [REDACTED],

As discussed, and as foreshadowed at the C70 Steering Committee, please refer attached Notice of Approved Tenant Variation for the change in Design Ship 1 allowable hull and sponson pressure. I'd note we are awaiting updates from HBJV on the design and construction impact of which I will update you as soon as available.

This Notice is based on your response TLine-TENCORR-000027 and not the informal communication Venket has provided to [REDACTED] recently. While I'd note there is a marked difference in the allowable hull pressure for design ship 1 between these correspondences, allowable hull pressure for design ship 2 remains at 200kN/m2.

If you would like to discuss, please let me know.

Regards

█

█ | Project Manager

Tasmanian Ports Corporation

T | M █ | E █@tasports.com.au | www.tasports.com.au

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TASMANIAN PORTS CORPORATION PTY LTD

18 Hunter Street

Hobart

Tasmania 7000 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Transmittal	TASPORTS-TRANSMIT-001255	TASPORTS-TRANSMIT-001255

C70 - TasPorts TT Line AFL - NOT018 - VAR014 update

From [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

To [REDACTED] - TT Line Company Pty Ltd

Cc (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Sent Tuesday, 21 March 2023 1:13:42 PM AEDT (GMT +11:00)

Reason Issued for Review

Status N/A

DETAILS

Contract Number 6A0000-C070

DOCUMENT ATTACHMENTS (1)

File	Document No	Contract No	Revision	Title	Status	Revision Date
	6A0000-TASP-1430-COM-NOT-0018	["6A0000-C70"]	0	C70 - TasPorts TT Line AFL - NOT018 - VAR014 update	Final	21/03/2023

MESSAGE

Afternoon [REDACTED],

Further to discussion on Friday please refer attached information relating to Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Pressure - VAR014.

Any queries, please let me know.

Regards

[REDACTED] | Project Manager

Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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TT Line Company Pty Ltd
 Spirit of Tasmania- Head Office
 The Esplanade-PO BOX 168E
 East Devonport
 Tasmania 7310 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to Transmittal	TTLIne-RTRANSMIT-000029	TASPORTS-TRANSMIT-001255

Re: C70 - TasPorts TT Line AFL - NOT018 - VAR014 update

From: [REDACTED] TT Line Company Pty Ltd
To: [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD
Cc (3): [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+2 more...)
Sent: Friday, 31 March 2023 5:52:51 PM AEDT (GMT +11:00)
Status: N/A

FILE ATTACHMENTS (1)

File Name
 Tenant Notice SOT-NOT-007.pdf

MESSAGE

Good evening [REDACTED],

Please find attached Tenant Notice 007 in response to TasPort's Notice of Approved Variation 014 - Change in Design Ship 1 Allowable Hull and Sponson Pressure.

Kind regards,

[REDACTED]

[REDACTED]

Senior Project Manager

Spirit of Tasmania

M: [REDACTED]

E: [REDACTED]@spiritoftasmania.com.au

W: spiritoftasmania.com.au

From: [REDACTED]

Sent: 21/03/2023 1:13:42 PM AEDT (GMT +11:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-TRANSMIT-001255

Subject: C70 - TasPorts TT Line AFL - NOT018 - VAR014 update

Contract Number:	6A0000-C070
-------------------------	-------------

Afternoon [REDACTED],

Further to discussion on Friday please refer attached information relating to Approved Tenant Variation – Change in Design Ship 1 Allowable Hull and Sponson Pressure - VAR014.

Any queries, please let me know.

Regards

[REDACTED] | Project Manager

Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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TT Line Company Pty Ltd
 Spirit of Tasmania- Head Office
 The Esplanade-PO BOX 168E
 East Devonport
 Tasmania 7310 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to RFI	TTLine-RTRFI-000037	TASPORTS-RFI-000101

Re: Allowable bearing pressures - Design Ship 1 and 2

From [REDACTED] - TT Line Company Pty Ltd

To (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Cc (5) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+4 more...)

Sent Wednesday, 31 August 2022 12:16:05 AM AEST (GMT +10:00)

Status N/A

DETAILS

Location 6A0000 - Berth 3E

Discipline zDE - Marine

Other References

Details Confirmation provided in the Table

Response Please see response in the Table.

MESSAGE

Hi [REDACTED],

Please see the table below with confirmation on the allowable bearing pressures. I am chasing up the Stern Transom for the Design Ship 2 (SOT II) and will provide this at the earliest opportunity.

Element	Unit	T3 Design Ship 1	T3 Design Ship 1	T3 Design Ship 2
		NexGen 22/10/21	(NexGen) Confirmed Aug 2022	(SOT II) Confirmed Aug 2021
Vessel hull	kN/m ²	1500kN/m ²	Confirmed	200kN/m ²
Sponson	kN/m	1500kN/m ²	Confirmed	3000kN/m
Stern transom	kN/m ²	1500kN/m ²	Confirmed	TBC

Kind regards,
 [REDACTED]

From: [REDACTED]**Sent:** 08/08/2022 3:04:42 PM AEST (GMT +10:00)**To:** [REDACTED]**Cc:** [REDACTED]**Mail Number:** TASPORTS-RFI-000101**Subject:** Allowable bearing pressures - Design Ship 1 and 2

RFI Status:	Issued
Date Issued:	08/08/2022
RFI - Due by Date:	15/08/2022
Location:	6A0000 - Berth 3E
Project:	WP 3.1 T3 Dredging and Marine Construction
Details:	

Hi [REDACTED],

Could you please confirm the allowable bearing pressures for the two design ships per below table?

As background TT Line provided allowable pressure of 1500 Kn/m² for hull and sponson for Next Gen (Design Ship 1) as part of the Ship to Shore RFI on 22/10/21. Typically a sponson pressures would be provided in kN/m units. For SPOT 2 (Design Ship 2) the maximum was 3,000kN/m for sponson and 200kN/m² for hull pressure indicated in P&M's tenant works basis of design 202000509-DB-0001 per the Client Specification.

These are critical assumptions to the fender design. If you have any queries, let me know or can discuss at integration meeting Wednesday.

Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022
Vessel hull	kN/m ²	1500Kn/m ²		
Sponson	kN/m	1500Kn/m ²		
Stern transom	kN/m ²	1500Kn/m ²		

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports CorporationT | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

Hobart TAS 7000 | GPO Box 202, Hobart 7001

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TT Line Company Pty Ltd
 Spirit of Tasmania- Head Office
 The Esplanade-PO BOX 168E
 East Devonport
 Tasmania 7310 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to Transmittal	TTLLine-RTRANSMIT-000088	TASPORTS-TRANSMIT-002201

Re: Design Report - Fenders

From: [REDACTED] - TT Line Company Pty Ltd

To: [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

Cc: [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

Sent: Wednesday, 21 May 2025 2:38:06 PM AEST (GMT +10:00)

Status: N/A

FILE ATTACHMENTS (2)

File Name
 additional stiffeners SB shell.pdf
 B.6009.3200.3300_E SHELL EXPANSION, FORE SHIP_reinforcements.pdf

MESSAGE

Hi [REDACTED],

Thanks for sharing

The 1500 kN/m² hull bearing pressure value is not applicable. Previously this has been estimated by the ship builders to be as low as 85 kN/m² in certain areas of the hull, I believe this came up during the Berth 1 feasibility investigation TasPorts were involved in. Hull stiffening works have proceeded on Spirit 4 to lift this to 200 kN/m² per the attached drawing.

Critical cases presented by RHDHV all identify expected pressures far exceeding these values.

Can you please request RHDHV to identify the limitations of this with respect to berthing scenarios?

Regards, [REDACTED]

[REDACTED]

Senior Project Manager

Spirit of Tasmania

M: [REDACTED]

E: [REDACTED]@spiritoftasmania.com.au

W: spiritoftasmania.com.au

From: [REDACTED]

Sent: 05/05/2025 7:31:18 PM AEST (GMT +10:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-TRANSMIT-002201

Subject: Design Report - Fenders

Contract Number:	6A0000-C070
-------------------------	-------------

Hi [REDACTED],

Per recent discussions refer attached draft update to the C48 Fender Design Report. Please note this is still going through final internal review. If you have any comments, please let me know by 15.05.2025

I will transmit the final version and when available.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports Corporation

T | M [REDACTED] **E** [REDACTED]@tasports.com.au | www.tasports.com.au

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 The Esplanade-PO BOX 168E
 East Devonport
 Tasmania 7310 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Response to RFI	TTLIne-RTRFI-000041	TASPORTS-RFI-000101

Re: Allowable bearing pressures - Design Ship 1 and 2

From [REDACTED] - TT Line Company Pty Ltd

To (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Cc (4) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+3 more...)

Sent Tuesday, 6 September 2022 2:31:37 PM AEST (GMT +10:00)

Status N/A

DETAILS

Location 6A0000 - Berth 3E

Discipline zDE - Marine

Other References

Details Confirmation provided in the Table

Response Units confirmed as per the below.
 Included is some commentary to provide some context.

FILE ATTACHMENTS (1)

File Name
 FE ANALYSIS SPONSON.pdf

MESSAGE

Hi [REDACTED],

Hopefully this response can provide some clarity on the design requirements.

*1. Are you able to confirm the units for the allowable pressures for the sponson of the T3 Design Ship 1 (Next Gen) please?
 We originally requested it in kN/m but has been provided as 1500 kN/m2 to date.*

Refer response to item 2.

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From: [REDACTED]
Sent: 31/08/2022 12:16:05 AM AEST (GMT +10:00)
To: [REDACTED]
Cc: [REDACTED]
Mail Number: TTLLine-RTRFI-000037
Subject: Re: Allowable bearing pressures - Design Ship 1 and 2

Location:	6A0000 - Berth 3E
Discipline:	zDE - Marine
Other References:	
Details:	Confirmation provided in the Table
Response:	Please see response in the Table.

Hi [REDACTED],

Please see the table below with confirmation on the allowable bearing pressures. I am chasing up the Stern Transom for the Design Ship 2 (SOT II) and will provide this at the earliest opportunity.

Element	Unit	T3 Design Ship 1	T3 Design Ship 1	T3 Design Ship 2
		NexGen	(NexGen)	(SOT II)
		22/10/21	Confirmed Aug 2022	Confirmed Aug 2022
Vessel hull	kN/m ²	1500kN/m2	Confirmed	200kN/m ²
Sponson	kN/m	1500kN/m2	Confirmed	3000kN/m
Stern transom	kN/m ²	1500kN/m2	Confirmed	TBC

Kind regards,
[REDACTED]

From: [REDACTED]
Sent: 08/08/2022 3:04:42 PM AEST (GMT +10:00)
To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-RFI-000101

Subject: Allowable bearing pressures - Design Ship 1 and 2

RFI Status:	Issued
Date Issued:	08/08/2022
RFI - Due by Date:	15/08/2022
Location:	6A0000 - Berth 3E
Project:	WP 3.1 T3 Dredging and Marine Construction
Details:	

Hi [REDACTED],

Could you please confirm the allowable bearing pressures for the two design ships per below table?

As background TT Line provided allowable pressure of 1500 Kn/m² for hull and sponson for Next Gen (Design Ship 1) as part of the Ship to Shore RFI on 22/10/21. Typically a sponson pressures would be provided in kN/m units. For SPOT 2 (Design Ship 2) the maximum was 3,000kN/m for sponson and 200kN/m² for hull pressure indicated in P&M's tenant works basis of design 202000509-DB-0001 per the Client Specification.

These are critical assumptions to the fender design. If you have any queries, let me know or can discuss at integration meeting Wednesday.

Element	Unit	T3 Design Ship 1 22/10/21	T3 Design Ship 1 Confirmed Aug 2022	T3 Design Ship 2 Confirmed Aug 2022
Vessel hull	kN/m ²	1500Kn/m2		
Sponson	kN/m	1500Kn/m2		
Stern transom	kN/m ²	1500Kn/m2		

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports CorporationT | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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 Spirit of Tasmania- Head Office
 The Esplanade-PO BOX 168E
 East Devonport
 Tasmania 7310 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Tenant Correspondence	TTLIne-TENCORR-000027	TASPORTS-TENCORR-000073

Re: T3 Design Ship 1 - Allowable Hull Pressures - request to meet with ship designer

From [REDACTED] - TT Line Company Pty Ltd

To [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD

Cc (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Sent Thursday, 9 February 2023 11:37:50 AM AEDT (GMT +11:00)

Status N/A

DETAILS

Tenant Type Notice

Contract Number 6A0000-C070

MESSAGE

Hi [REDACTED],

Confirming the below pressures.

Kind regards,

[REDACTED]

[REDACTED]

Senior Project Manager

Spirit of Tasmania

M: + [REDACTED]

E: [REDACTED]@spiritoftasmania.com.au

W: spiritoftasmania.com.au

From: [REDACTED]

Sent: 09/02/2023 7:57:04 AM AEDT (GMT +11:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-TENCORR-000081

Subject: Re: T3 Design Ship 1 - Allowable Hull Pressures - request to meet with ship designer

Tenant Type:	Notice
Contract Number:	6A0000-C070

Morning [REDACTED],

Per discussion yesterday can you please confirm below hull/sponson pressure so we can direct HBJV of this change.

Regards

[REDACTED]

[REDACTED] | Project Manager

Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au

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From: [REDACTED]

Sent: 11/01/2023 11:59:42 AM AEDT (GMT +11:00)

To: [REDACTED]

Cc: [REDACTED]

Mail Number: TASPORTS-TENCORR-000073

Subject: T3 Design Ship 1 - Allowable Hull Pressures - request to meet with ship designer

Tenant Type:	Notice
Contract Number:	6A0000-C070

Hi [REDACTED],

Per discussion can we please orgnaise a meeting with the Ship Designer/Naval Architect to discuss our queries around the allowable hull pressures for T3 Design Ship 1. HBJV has now raised similar issues to TasPorts and we are again querying allowable bearing pressures for the Vessel Hull and Sponson highlighted below.

Based on the latest response from TT Line (TTLine-RTRFI-000041) it was indicated that the allowable bearing pressures were per the table below. I'd note that the allowable bearing pressures for the sponson for Design Ship 1 are nearly 5 times lower than that in section 5.2.3.1 of the Functional User Requirements.

Element	Unit	T3 Design Ship 1	T3 Design Ship 2
----------------	-------------	-------------------------	-------------------------

		Next Gen	(SOT II)
Vessel hull	kN/m ²	1500kN/m2	200kN/m ²
Sponson	Varies	1500kN/m2 (619kN/m)	3000kN/m
Stern transom	kN/m ²	1500kN/m2	TBC

Included in the latest correspondence (TTLIne-RTRFI-00004) was a snippet from a FEA report (entitled FE Analysis Sponson) authored by Bluetech Finland which appeared to show varying plate thicknesses of the hull. The correspondence noted that the 1500kN/m2 was based on an order of magnitude allowable sponson pressure of 1700kN/m2 from this analysis. The snippet highlighted a colored area at the stern relating to around 17 (mm?). This has been difficult to interpret or rationalise back allowable sponson pressure. It would be useful if our engineering team had full access to the FEA report or any other relevant design information prior to the proposed meeting.

If you would like any further information, please let me know.

Regards

■

■ | Project Manager

Tasmanian Ports Corporation

T | M ■ | E ■@tasports.com.au | www.tasports.com.au

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 Spirit of Tasmania- Head Office
 The Esplanade-PO BOX 168E
 East Devonport
 Tasmania 7310 Australia

MAIL TYPE	MAIL NUMBER	REFERENCE NUMBER
Tenant Correspondence	TTLIne-TENCORR-000031	TASPORTS-TENCORR-000085

Re: Allowable bearing pressure - Design Ship 1

From [REDACTED] - TT Line Company Pty Ltd

To (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Cc (2) [REDACTED] - TASMANIAN PORTS CORPORATION PTY LTD (+1 more...)

Sent Friday, 3 March 2023 1:23:45 PM AEDT (GMT +11:00)

Status N/A

DETAILS

Tenant Type Notice

Contract Number 6A0000-C070

MESSAGE

Good afternoon [REDACTED],

The allowable bearing pressure for Sponson hasn't changed since previously advised last year.

Kind regards,

[REDACTED]

[REDACTED]

Senior Project Manager

Spirit of Tasmania

M: [REDACTED]

E: [REDACTED]@spiritoftasmania.com.au

W: spiritoftasmania.com.au

From: [REDACTED]

Sent: 02/03/2023 4:56:15 PM AEDT (GMT +11:00)

To: [REDACTED]

Cc: [REDACTED]

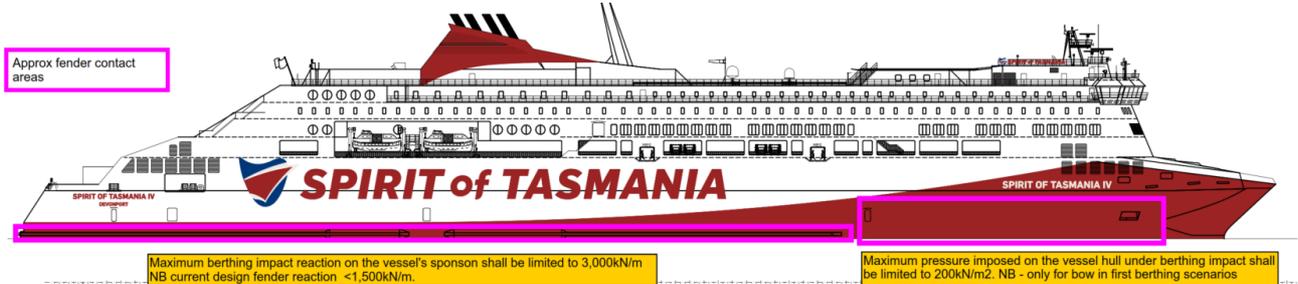
Mail Number: TASPORTS-TENCORR-000085

Subject: Allowable bearing pressure - Design Ship 1

Tenant Type:	Notice
Contract Number:	6A0000-C070

Afternoon [REDACTED],

As discussed we still appear to have a misunderstanding between the requirements for allowable bearing pressure. Both the allowable sponson and hull pressures remain critical inputs. Below are the requirements in section 5.2.3.1 of the FUR which were reflected in the HBJV design requirements.



TT Line (TTLine-TENCORR-000027) recently confirmed the values in the table below. The allowable hull pressure indicated is significantly higher and the allowable sponson pressure significantly lower than the FUR requirements (and also the corresponding current SPOT allowances). The reduction in allowable sponson pressure will significantly impact the design, cost and timeframe of the delivery of the Landlord Works and we again request your urgent clarification.

T3 Design Ship 1		
Element	Unit	
Next Gen		
Vessel hull	kN/m ²	1500kN/m2
Sponson	Varies	1500kN/m2 (619kN/m)
Stern transom	kN/m ²	1500kN/m2

Please let me know if you would like to discuss further or require any further information.

Regards

[REDACTED]

[REDACTED] | Project Manager
Tasmanian Ports Corporation

T | M [REDACTED] | E [REDACTED]@tasports.com.au | www.tasports.com.au
 Hobart TAS 7000 | GPO Box 202, Hobart 7001

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From: [REDACTED]@portsmaritime.com>
Sent: Thursday, 2 March 2023 11:01
To: [REDACTED]@tasports.com.au>
Cc: [REDACTED]@spiritoftasmania.com.au>; [REDACTED]
[REDACTED]@spiritoftasmania.com.au>; [REDACTED]@portsmaritime.com>
Subject: FW: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5

[External Email] This email was sent from outside of TasPorts; be cautious, particularly with links and attachments.

Hi [REDACTED]

Please see below response from the ship builders.

This seems very low but that's all we have got officially.

Cheers

[REDACTED]

[REDACTED]

Managing Director | P&M Consultants Pty Ltd
World Trade Centre | Tower 4 | Level 10
18-38 Siddeley Street, Melbourne, Vic 3005 Australia
[REDACTED]@portsmaritime.com | Phone : [REDACTED]
<https://portsmaritime.com/>

From: [REDACTED]@spiritoftasmania.com.au>
Sent: Wednesday, 1 March 2023 10:36 PM
To: [REDACTED]@portsmaritime.com>
Subject: Fwd: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5

Sent from my iPad

Begin forwarded message:

From: [REDACTED]@rmcfinland.fi>
Date: 1 March 2023 at 22:14:42 AEDT
To: [REDACTED]@spiritoftasmania.com.au>, [REDACTED]@rmcfinland.fi>
Cc: [REDACTED]@spiritoftasmania.com.au>, [REDACTED]@spiritoftasmania.com.au>,
[REDACTED]@spiritoftasmania.com.au>, [REDACTED]
[REDACTED]@spiritoftasmania.com.au>
Subject: [EXTERNAL] RE: AFT END DECK 9, SHELL PLATING VERTICAL SIDES DECK 3 to DECK 5

Hi [REDACTED],

The loading on side shell between decks 3 – 5 is 45 kN/m².
If you should need more info please don't hesitate to contact me.

Best Regards,

[REDACTED]

Manager, Hull Engineering

[REDACTED]

[REDACTED]@rmcfinland.fi



Suojantie 5, 26100 Rauma, Finland

www.rmcfinland.fi

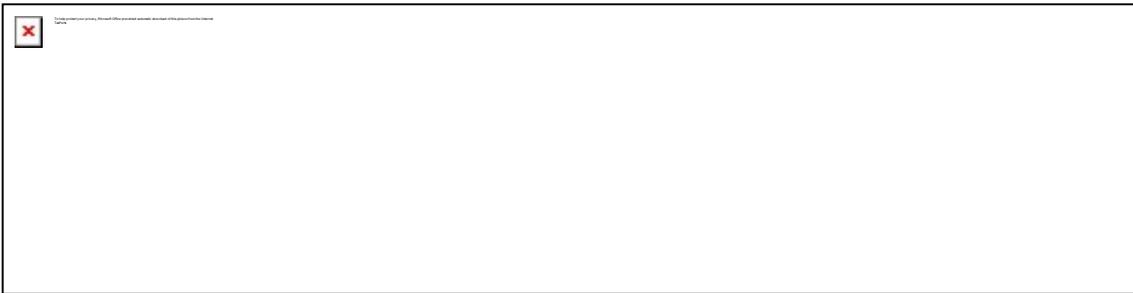
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[Redacted]

From: [Redacted]
Sent: Monday, 17 November 2025 12:20 PM
To: [Redacted]
Subject: FW: TasPorts Data Received
Attachments: QuayLink Contingency Berth paper BVD (1).docx

[Redacted]
[Redacted]

[Redacted]
[Redacted]@tasports.com.au
TasPorts | 90-110 Willis Street, Launceston, TAS, 7250



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TasPorts acknowledges the traditional owners of the land, seas and waterways on which we work. We pay our respects to Elders past and present, and to the Tasmanian Aboriginal community that continues to care for Country.

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Please consider the environment before printing this email

From: Anthony Donald
Sent: Monday, 13 May 2024 7:00 PM
To: [Redacted] <[Redacted]@stategrowth.tas.gov.au>
Subject: FW: TasPorts Data Received

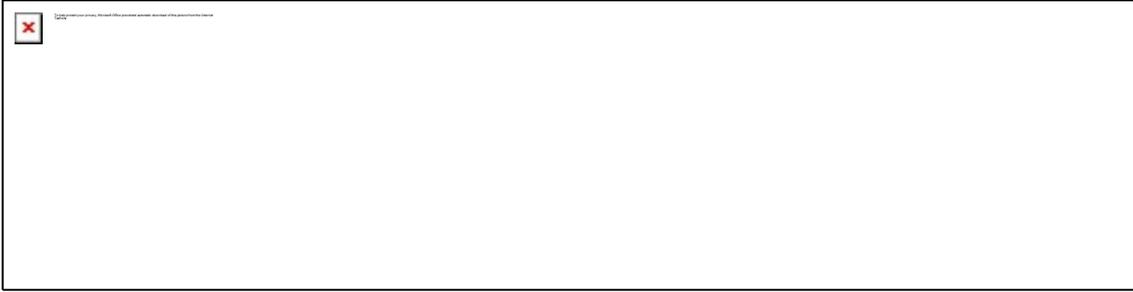
FYI

Gaps in relation to Dev 1E are reflective of TT line understanding of the issues I suspect, these include:-

- Under keel clearance and changes induced through loading/unloading activity which means that keel is deeper at stern than the bow of the vessel. Other impacts are environmental (i.e if we have rainfall or a low pressure system this can alter tides)
- Timeframes for delivering works (8-12 months), these timeframes are based on good estimates and quick procurement. There is an opportunity to accelerate further which we will discuss tomorrow
- Hull and sponson pressure limits – the new vessel has very low hull and sponson pressure limits – we have previously challenged these only because they seem quite low compared with other vessels we see visit our ports.

Anthony Donald
Chief Executive Officer

██████████
██████████@tasports.com.au
TasPorts | 90-110 Willis Street, Launceston, TAS, 7250



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From: Bernard Dwyer <██████████@spiritoftasmania.com.au>
Sent: Sunday, May 12, 2024 8:56 AM
To: Anthony Donald ██████████@tasports.com.au>; Limkin, Craig ██████████@stategrowth.tas.gov.au>
Subject: TasPorts Data Received

[External Email] This email was sent from outside of TasPorts; be cautious, particularly with links and attachments.

I am attaching our response to the data received last Thursday.

Seeing there are still substantial gaps in parameters we are required to comply with, I would suggest that both teams get together in one session to discuss all aspects because as it stands the only recommendation I can take to the Board is that we operate through the next high season with our current vessels as is from Berth one and bring our new ship into Hobart 6 weeks before we have both worked on fast-tracking the at grade berth at Berth 3.

Regards,

BD

Bernard Dwyer
Managing Director / Chief Executive Officer

SPIRIT OF TASMANIA
The Esplanade P.O.Box 168E
East Devonport TASMANIA 7310

P: ██████████

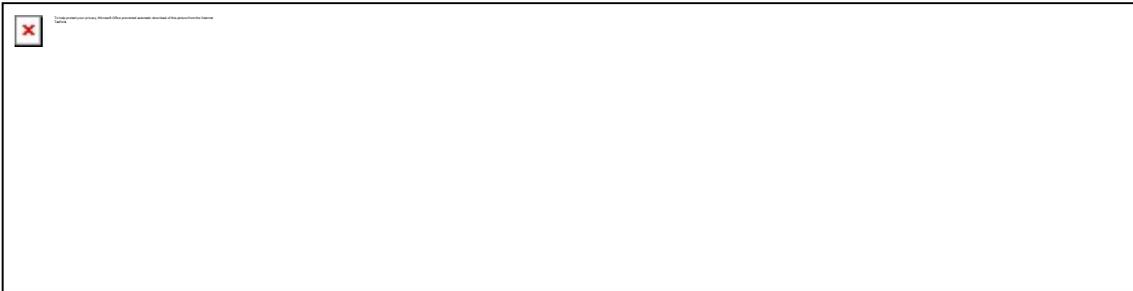
E: [REDACTED]@spiritoftasmania.com.au | W: spiritoftasmania.com.au

[Redacted]

From: [Redacted]
Sent: Monday, 17 November 2025 12:13 PM
To: [Redacted]
Subject: FW: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting

[Redacted]
[Redacted]

[Redacted]
[Redacted]@tasports.com.au
TasPorts | 90-110 Willis Street, Launceston, TAS, 7250



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From: Bernard Dwyer <[Redacted]@spiritoftasmania.com.au>
Sent: Tuesday, 1 October 2024 1:44 PM
To: Anthony Donald <[Redacted]@tasports.com.au>
Cc: Limkin, Craig <[Redacted]@stategrowth.tas.gov.au>; [Redacted]
[Redacted]@spiritoftasmania.com.au>
Subject: RE: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting

[External Email] This email was sent from outside of TasPorts; be cautious, particularly with links and attachments.

As Craig has requested.

For discussion Thursday.

Bernard Dwyer
Managing Director / Chief Executive Officer



T: [REDACTED]
M: [REDACTED]
E: [REDACTED]r@spiritoftasmania.com.au
W: spiritoftasmania.com.au

From: Anthony Donald <[REDACTED]@tasports.com.au>
Sent: Tuesday, October 1, 2024 1:27 PM
To: Bernard Dwyer <[REDACTED]@spiritoftasmania.com.au>; [REDACTED] <[REDACTED]@stategrowth.tas.gov.au>; Limkin, Craig <[REDACTED]@stategrowth.tas.gov.au>; [REDACTED] <[REDACTED]@yahoo.com.au>; [REDACTED] <[REDACTED]@gmail.com>; [REDACTED] <[REDACTED]@netspace.net.au>; [REDACTED] <[REDACTED]@treasury.tas.gov.au>; [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@spiritoftasmania.com.au>
Cc: [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]e@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@stategrowth.tas.gov.au>; [REDACTED] <[REDACTED]@stategrowth.tas.gov.au>; [REDACTED] <[REDACTED]@treasury.tas.gov.au>; [REDACTED] <[REDACTED]@stategrowth.tas.gov.au>; [REDACTED] <[REDACTED]@stategrowth.tas.gov.au>; [REDACTED] <[REDACTED]@spiritoftasmania.com.au>
Subject: [EXTERNAL] RE: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting

Hi Bernard

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Kind regards

Anthony Donald
Chief Executive Officer

[REDACTED]
[REDACTED]@tasports.com.au
TasPorts | 90-110 Willis Street, Launceston, TAS, 7250



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From: Bernard Dwyer <[REDACTED]@spiritoftasmania.com.au>

Sent: Tuesday, October 1, 2024 9:39 AM

To: [REDACTED]@stategrowth.tas.gov.au>; [REDACTED]@dpac.tas.gov.au>;

[REDACTED]@dpac.tas.gov.au>; [REDACTED]@dpac.tas.gov.au>; [REDACTED]@dpac.tas.gov.au>; Limkin, Craig <[REDACTED]@stategrowth.tas.gov.au>;

[REDACTED]; Anthony Donald <[REDACTED]@tasports.com.au>; [REDACTED]@gmail.com>; [REDACTED]@netspace.net.au>; [REDACTED]@treasury.tas.gov.au>; [REDACTED]@dpac.tas.gov.au>; [REDACTED]@spiritoftasmania.com.au>

Cc: [REDACTED]@dpac.tas.gov.au>; [REDACTED]@dpac.tas.gov.au>;

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Regards

[REDACTED]
General Manager
Marine Operations



Bernard Dwyer
Managing Director / Chief Executive Officer



T: [REDACTED]
M: [REDACTED]
E: [REDACTED]@spiritoftasmania.com.au
W: spiritoftasmania.com.au

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Subject: [EXTERNAL] RE: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting

Hi all,

Please find the attached draft agenda for this afternoon's TT-Line Sub Committee Cabinet Meeting, plus minutes and action list from the last meeting (13 September 2024).

Thanks,

[REDACTED]

-----Original Appointment-----

From: [REDACTED]@dpac.tas.gov.au>
Sent: Thursday, September 19, 2024 9:57 AM
To: [REDACTED] Limkin, Craig;
[REDACTED]@yahoo.com.au; [REDACTED]@tasports.com.au; [REDACTED]
[REDACTED]@netspace.net.au; [REDACTED]
Cc: [REDACTED]
[REDACTED]
Subject: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting
When: Monday, 30 September 2024 5:00 PM-5:30 PM (UTC+10:00) Hobart.
Where: Hobart-15 Murray St-Level 10-Meeting Room Large

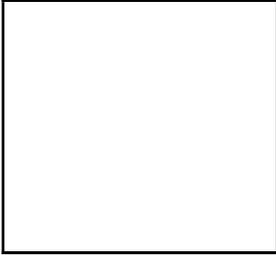
Microsoft Teams [Need help?](#)

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Meeting ID: [REDACTED]

Passcode: [REDACTED]

For organizers: [Meeting options](#)



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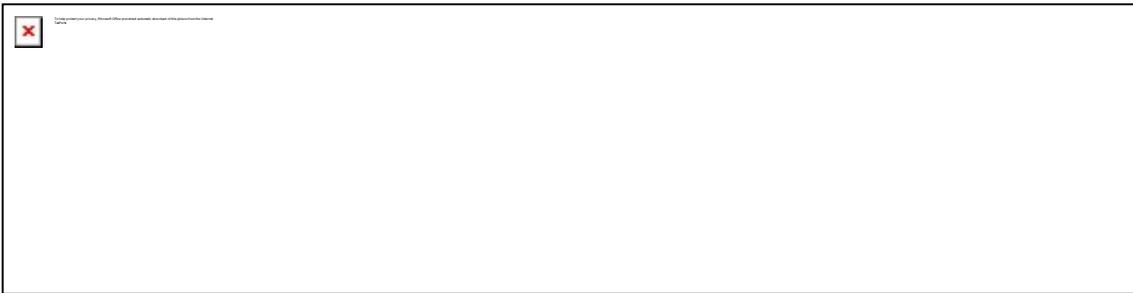
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From: [REDACTED]
Sent: Monday, 17 November 2025 12:22 PM
To: [REDACTED]
Subject: FW: TT line contingency berth notes
Attachments: 6A0000-TASP-0010-CON-RPT- Contingency Berth - 9 May 2024.pdf

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]@tasports.com.au
TasPorts | 90-110 Willis Street, Launceston, TAS, 7250



TasPorts is committed to providing a safe and inclusive work environment which is welcoming to all.

TasPorts acknowledges the traditional owners of the land, seas and waterways on which we work. We pay our respects to Elders past and present, and to the Tasmanian Aboriginal community that continues to care for Country.

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From: Anthony Donald
Sent: Thursday, 9 May 2024 12:45 PM
To: Limkin, Craig [REDACTED]@stategrowth.tas.gov.au>; Bernard Dwyer [REDACTED]@spiritoftasmania.com.au>
Subject: TT line contingency berth notes

Hi Bernarda and Craig

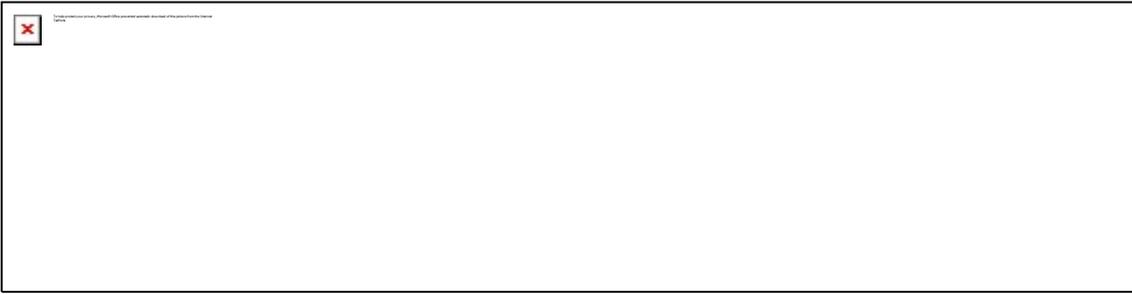
FYI and consideration, berth 1E or 2E in Devonport appear the best alternatives

A further option may be to work with the selected contractor on 3E which Bernard has flagged with a design change for temporary works. We have not looked at this but can assist if and when required

thanks

Anthony Donald
Chief Executive Officer

[REDACTED]
[REDACTED]@tasports.com.au



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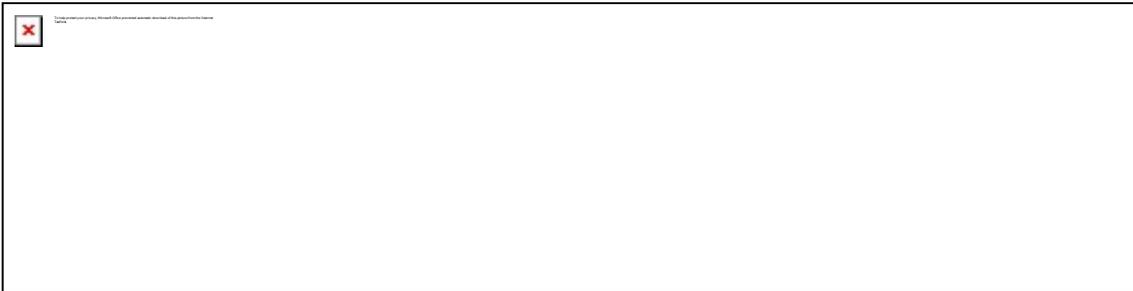
Please consider the environment before printing this email

[Redacted]

From: [Redacted]
Sent: Monday, 17 November 2025 12:14 PM
To: [Redacted]
Subject: FW: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting

[Redacted]
[Redacted]

[Redacted]
[Redacted]@tasports.com.au
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From: Limkin, Craig <[Redacted]@stategrowth.tas.gov.au>
Sent: Tuesday, 1 October 2024 1:43 PM
To: Anthony Donald [Redacted]@tasports.com.au>; Bernard Dwyer [Redacted]@spiritoftasmania.com.au>; [Redacted]@stategrowth.tas.gov.au>; [Redacted]@yahoo.com.au; [Redacted]@gmail.com>; [Redacted]@netspace.net.au; [Redacted]@treasury.tas.gov.au>; [Redacted]@dpac.tas.gov.au>; [Redacted]@spiritoftasmania.com.au>
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Hi All

I suggest we discuss this on Thursday at the Executive Steering Committee instead of continuing with various emails. I encourage TT-Line and TasPort to have a chat prior to that meeting.

Happy to discuss if anyone has a concern with the proposed approach.

Cheers
Craig!

From: Anthony Donald [REDACTED] <[REDACTED]@tasports.com.au>

Sent: Tuesday, October 1, 2024 1:27 PM

To: Bernard Dwyer <[REDACTED]@spiritoftasmania.com.au>; [REDACTED] <[REDACTED]@stategrowth.tas.gov.au>; Limkin, Craig <[REDACTED]@stategrowth.tas.gov.au>; [REDACTED] <[REDACTED]@yahoo.com.au>; [REDACTED] <[REDACTED]@gmail.com>; [REDACTED] <[REDACTED]@netspace.net.au>; [REDACTED] <[REDACTED]@treasury.tas.gov.au>; [REDACTED] <[REDACTED]@dpac.tas.gov.au>; [REDACTED] <[REDACTED]@spiritoftasmania.com.au>

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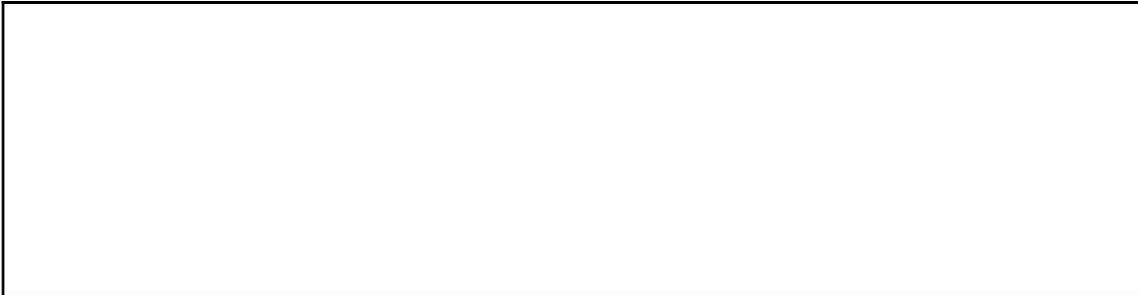
Anthony Donald

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General Manager
Marine Operations



Bernard Dwyer
Managing Director / Chief Executive Officer



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Cc: [REDACTED]
[REDACTED]
Subject: MEETING 5pm | ONLINE ONLY - TT-Line Sub Committee Cabinet Meeting
When: Monday, 30 September 2024 5:00 PM-5:30 PM (UTC+10:00) Hobart.
Where: Hobart-15 Murray St-Level 10-Meeting Room Large

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Meeting ID: [REDACTED]

Passcode: [REDACTED]

For organizers: [Meeting options](#)



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MARKET RESEARCH REPORT

Tasmanian Ports Corporation Customer Research



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RESEARCH OVERVIEW

The Tasmanian Ports Corporation (TasPorts) commissioned an independent market research report to engage with their major business customers.

Business to business telephone interviews were conducted with TasPorts identified key commercial customers to seek feedback and to measure levels of satisfaction with services and interactions provided by TasPorts.

Research outcomes provide insight to inform strategic direction, as well as form a baseline measure to track against for future customer research.

METHODOLOGY

QUANTITATIVE TELEPHONE SURVEY

The quantitative study was conducted via business to business telephone survey methodology over the period 17 – 28 November 2022 inclusive, with n=26 completed responses achieved (from a total contact list of n=30).

The total sample (n=26 respondents) is statistically valid at the 95% confidence level. Quantitative research results may be used with confidence for extrapolating to the wider survey population, i.e., TasPorts business customer base. The sampling error range is between 3.1 – 7.1%, survey results are likely to be within 7.1% or better of the total parameter.

SURVEY PARAMETERS

- The survey was conducted in accordance with relevant industry Quality Assurance standards (ISO 20252) and privacy protocols (Market and Social Research Privacy Code) relating to telephone survey methodology;
- The survey instrument was designed by the consultant, with client review and input (refer page 11, survey instrument);
- The survey sample was sourced from client provided list of TasPorts commercial customers;
- All customers were contacted prior by a TasPorts representative (by phone/ email) to introduce and outline the purpose of the research;
- Online survey programming was hosted by our partner Decibel Research, to enable online data collection;
- Data collation, analysis and reporting has been completed by the consultants.

EXECUTIVE SUMMARY

Research findings have been reported for the total survey group, as well as segmented by business type –

- Volume Customers (n=13)
- Agents (n=5)
- Leasing/ Licence Customers (n=14)
- Other Key Customers (n=2)
- Cruise Line Customers (n=3)
- Marine Service Customers (n=14)

CONTACT AND COMMUNICATION

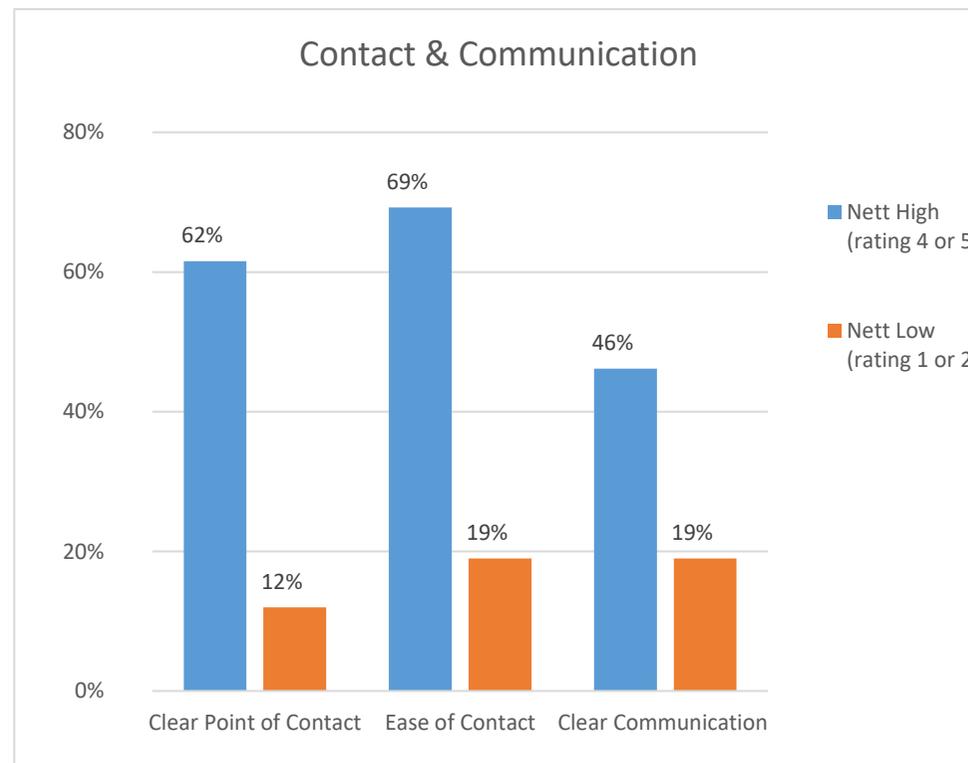
Participants were firstly asked about whether they felt they had a clear point of contact at TasPorts.

Across the total survey group, the majority of respondents agreed that their point of contact was clear, with 62% rating 4 or 5 out of 5 for this aspect – highest for Cruise line customers (100% Nett Clear) and Other key customers (100% Nett Clear). The business segments with lowest ratings for this aspect were Volume customers (23% Nett Not Clear) and Marine services (21% Nett Not Clear).

In terms of ease of contacting TasPorts representatives, 69% of the total survey group gave a rating of 4 or 5 out of 5, highest for Cruise line customers (100% Nett Easy) and Agents (80% Nett Easy). The business segments with lowest ratings

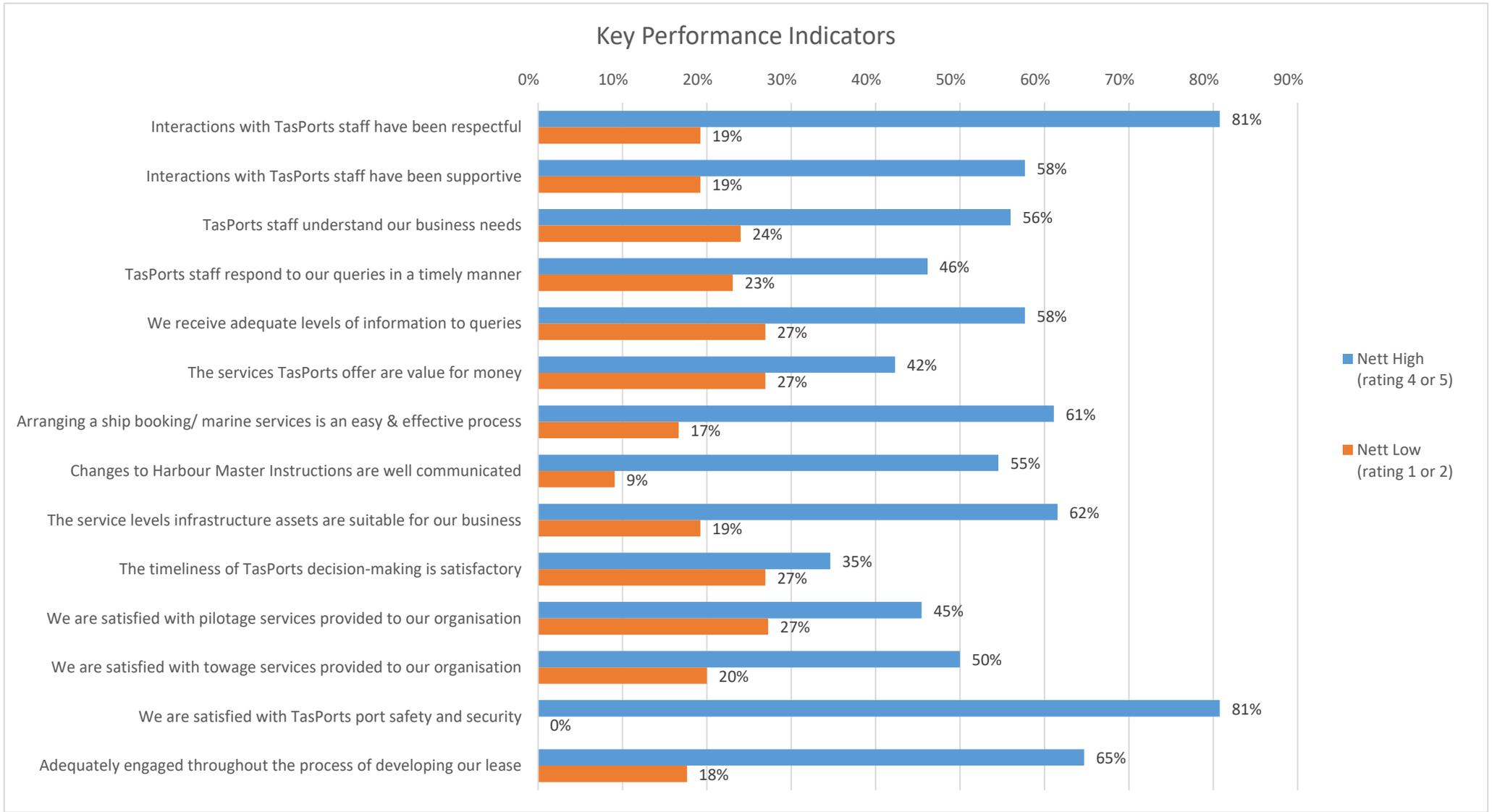
for this aspect were Volume customers (31% Nett Not Easy), Marine service customers (29% Nett Not Easy) and Leasing/ Licencing customers (21% Nett Not Easy).

Participants were also asked about how clearly they felt their organisation’s commercial leasing arrangements were communicated. There was a lower level of agreeance with this aspect across the total survey group, with 46% giving a Nett Well Communicated (rating 4 or 5), and 19% Nett Not Well Communicated (rating 1 or 2). Volume customers and Marine service customers gave the lowest ratings for this aspect (38% and 36% respectively).



KEY PERFORMANCE INDICATORS

Respondents were asked to rate a number of aspects in relation to their business dealings with TasPorts. The chart below illustrates the levels of satisfaction across the nominated KPIs. (Nett High = rating 4 or 5, Nett Low = rating 1 or 2 on a 5 point scale).



KEY PERFORMANCE INDICATORS *cont.*

While all measured aspects had the majority of customers giving an above average rating of satisfaction, only two KPIs were at the 80% mark.

Overall, the aspects that rated highest related to customer experiences - 'Interactions with TasPorts staff have been respectful' and 'We are satisfied with the way TasPorts currently manages port safety and security', both 81% Nett High.

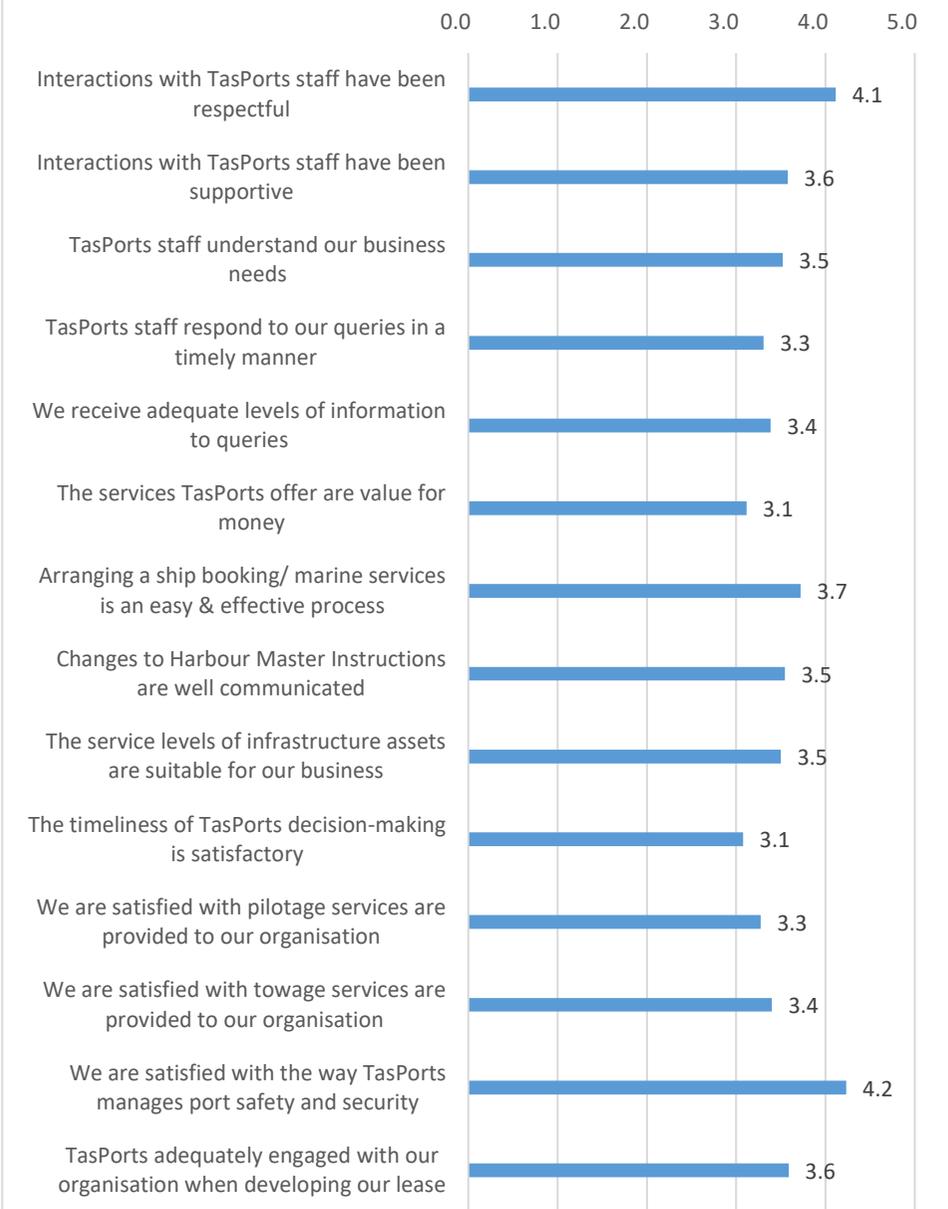
There were a number of aspects where improvements could be made, as indicated by the level of Nett Low ratings.

The aspect that rated lowest overall by customers was 'The timeliness of TasPorts decision-making is satisfactory' with only 35% of respondents rating at the Nett High end of the scale, and 27% of customers giving a Nett Low score on this aspect.

Second lowest KPI was the aspect of 'The services TasPorts offer are value for money', with 42% Nett High rating and 27% giving a Nett Low rating.

Other areas at the lower end of the scale include 'We are satisfied with the manner in which pilotage services are provided to our organisation' and 'We receive adequate levels of information to queries' (both scoring 27% Nett Low).

Key Performance Indicators - Mean Score



ORGANISATIONAL REQUIREMENTS

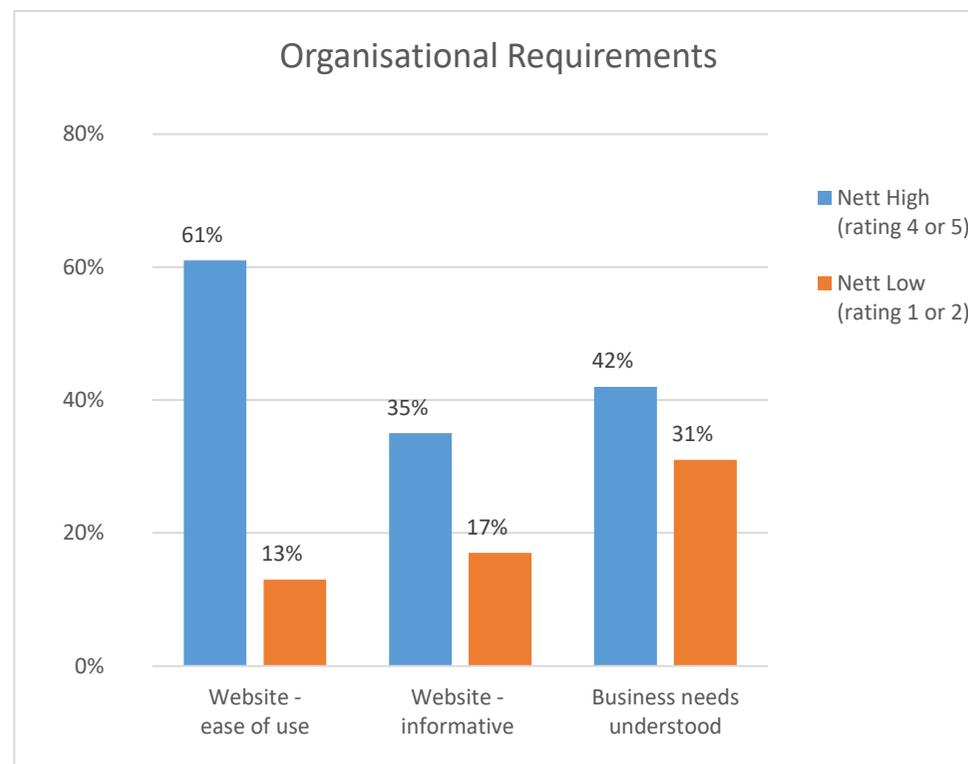
Participants were asked about whether their organisation's requirements are likely to change significantly in the next 5 years. From the total survey group, the majority (62%) reportedly do not anticipate any significant change. Of the 38% who do foresee a change in requirements, the main theme mentioned was the likely increase in their companies volume and capabilities (e.g. larger or more vessels) hence more infrastructure or remediation of infrastructure will be required.

In terms of the TasPorts website, satisfaction ratings related to ease of use and informative measures. Half the total sample (50%) reportedly access the website at least weekly, with the remaining half accessing monthly or less often.

The majority of survey respondents (61% Nett High) reportedly find the TasPorts website easy to use, with a further 13% giving a Nett Low rating for this aspect.

Close to half of the total respondent group (48%) gave a rating of 3 out of 5 in terms of how informative they find the TasPorts website, a further 35% giving a Nett High rating, and 17% giving a Nett Low rating for this aspect.

Participants were asked about how well TasPorts have understood their organisation's needs so as to be included in infrastructure planning. This aspect scored a much lower rating overall (31% Nett Low), as well as across the varying business types (Volume customers – 46% Nett Low, Marine service customers – 43% Nett Low).



ADDITIONAL INFORMATION / IMPROVEMENTS

Participants were asked whether they felt their business would benefit from more regular contact from TasPorts. Just over half (58%) of the total survey group reported they would prefer increased frequency of contact, especially felt by Agents (80% yes). Of those who answered yes, the majority (60%) indicated they would like monthly contact, a further 33% fortnightly and 13% at least weekly.

Participants were also asked whether they would like to be provided with additional freight volumes and statistical data. Overall, 32% indicated interest in this offering – especially Marine service customers (46%) and Volume customers (42%). The desired level of frequency for this data is monthly – expressed by 75% of this group.

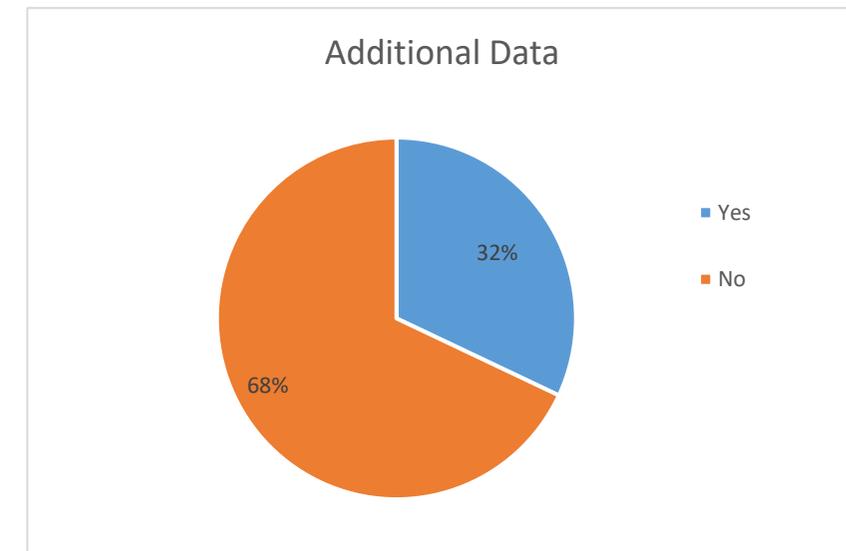
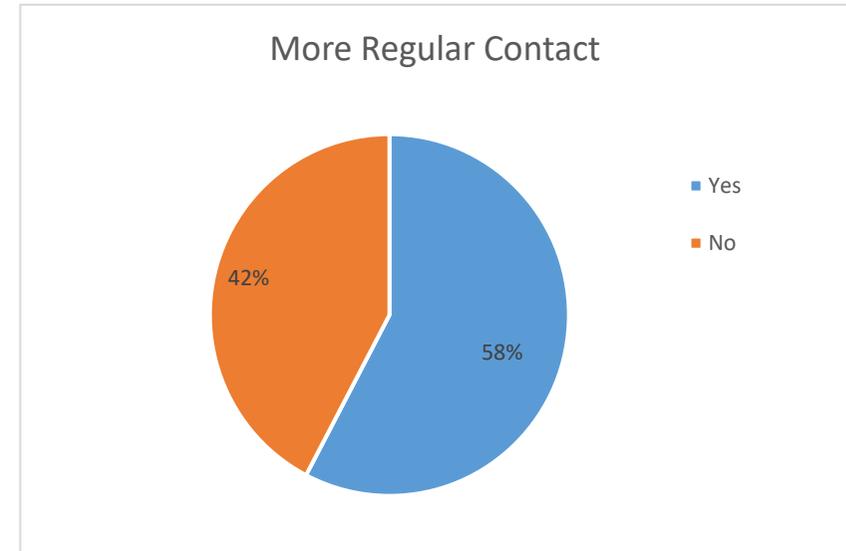
In terms of specific areas of improvements, 77% of participants indicated at least one area where they felt aspects needed addressing. The most frequent mentions related to the following areas –

- communication – increased levels, improved response times;
- infrastructure – improvement, relocation;
- staffing – customer relations, improved skillsets;
- operational – streamlined processes, actions.

Lucy Blake

Director, Myriad Research

December 2022





APPENDIX A: SURVEY INSTRUMENT

Hello is that (name from list), or...Good morning/afternoon, could I speak to (name from list).

I'm calling on behalf of TasPorts who have asked us to contact you.

My name is ... from Myriad Research in Hobart, and we're conducting the customer feedback research that TasPorts are currently undertaking with their business customers.

(mention contact from the commercial manager as needed)

Is now a convenient time to answer the questions?

Please note that this research is anonymous, conducted under strict privacy protocols. All answers you provide remain completely confidential, and no individual or organisation will be identified.

Most questions I ask will just require a rating out of 5, where 5=high and 1=low.

If you have any comments you would like to make as we go through, please let me know.

Q1. Firstly on a scale of 1-5, where 5=high and 1=low, do you feel you have a clear point of contact at TasPorts?

Q2. How easy do you find it to contact a TasPorts representative?

Q3. How clearly do you feel your organisation's commercial leasing arrangements were communicated?

Q4. I'm now going to read a series of statements, so thinking about your experiences with TasPorts over the last (weeks/months), how would you rate the following aspects, on a scale of 1-5, 1=low, 5=high.

If you have not had experience in a particular area, please let me know and I can mark it as not applicable.

- a) Interactions with TasPorts staff have been respectful
- b) Interactions with TasPorts staff have been supportive
- c) Overall, TasPorts staff understand our business needs regarding services we require
- d) TasPorts staff respond to our queries in a timely manner
- e) We receive adequate levels of information to queries
- f) The process for arranging a ship booking/ marine services is an easy & effective process
- g) The services TasPorts offer are value for money.
- h) Any changes to Harbour Master Instructions are well communicated and the implications for our organisation easily understood
- i) The service levels of TasPorts infrastructure assets are suitable for our business
- j) The timeliness of TasPorts decision-making is satisfactory
- k) We are satisfied with the manner in which pilotage services are provided to our organisation
- l) We are satisfied with the manner in which towage services are provided to our organisation
- m) We are satisfied with the way TasPorts currently manages port safety and security
- n) TasPorts adequately engaged with our organisation throughout the process of developing our lease



Q5. Do you anticipate that your organisation's requirements for port and marine services are likely to change significantly in the next 5 years? Yes No

If yes, How is it likely to change? (open ended).....

Q6. How regularly do you access the TasPorts website? (Please select one response)

Daily, 4-5 times per week, 2-3 times per week, Weekly, Fortnightly, Monthly, Less often

Q7a) How informative do you find the TasPorts website? (scale 1-5)

b) How easy to use do you find the TasPorts website? (scale 1-5)

Q8. How well do you feel your organisation or industry's needs have been understood so as to be included in TasPorts infrastructure planning? (scale 1-5)

Q9. Would your business benefit from more regular contact with a TasPorts representative?

Yes How regularly would you like that contact to be?

More than one a week, Weekly, Fortnightly, Monthly, Quarterly, Biannually, Once a year

No

Q10. Would you like to be provided with additional freight volumes and statistical data?

Yes How regularly would you like to be provided with this data?

Daily, 4-5 times per week, 2-3 times per week, Weekly, Fortnightly, Monthly, Less often

No

Q11. Are there specific areas that you believe TasPorts can improve in? Yes No

If yes, what area/s in particular? (open ended).....

Q12. Do you have any other feedback that you would like to share? (open ended)

That completes the survey, thank you for your time today. In case you missed it my name is ... from Myriad Research, calling on behalf of TasPorts.

If you have any questions about the research, you may contact our office, would you like the details - mail@myriadresearch.com

Thank you again, goodbye.

Market Research Dashboard



Tasmanian Ports Corporation

Customer Research Report

April 2024



COMMERCIAL IN CONFIDENCE • NOT FOR GENERAL DISTRIBUTION

Research Overview

TasPorts commissioned Myriad Research to conduct independent market research to engage with their major customers and key stakeholders.

This research was conducted through business to business telephone interviews, allowing TasPorts to measure satisfaction of their business customers and provide customers with the opportunity to provide feedback on their experiences engaging with Tasports.

The total sample distribution for the 2024 customer research was as follows:

- Marine services (n=16)
- Key revenue customers (n=15)
- Volume Customers (n=14)
- Leasing/ Licence Customers (n=14)
- Agents (n=7)
- Growth (n=6)
- Cruise Line Customers (n=4)
- Other Key Customers (n=2)

Research outcomes provide insight to inform strategic direction, and are tracked, where appropriate, against baseline measures from the 2022 customer research report.

Methodology

Quantitative telephone survey

The quantitative study was conducted via business to business telephone survey methodology over the period 12 – 20 March 2024 inclusive, with n=31 completed responses achieved (from a total contact list of n=37).

The total sample (n=31 respondents) is statistically valid at the 95% confidence level.

The sampling error range is between 3.1 – 7.1%, with survey results likely to be within 7.1% or better of the total parameter.

Quantitative research results may be used with confidence for extrapolating to the wider survey population, i.e., TasPorts business customer base.

Qualitative open ended comments have been collated by theme and are provided in full in the Verbatims tab.

A global filter can be applied to sort the data by business type, for 2024 data only. Tables containing comparison data for 2022 cannot be filtered.

Survey parameters

The survey instrument was designed by the consultant, with client review and input, with reference to the survey instrument from the 2022 research.

Survey programming was managed by the consultant using the Forsta Plus platform to enable accurate online data collection.

The survey sample was sourced from client provided list of TasPorts commercial customers.

A TasPorts representative contacted all customers beforehand to introduce and outline the purpose of the research, with an opportunity to opt out if not wishing to participate.

The survey was conducted in accordance with relevant industry Quality Assurance standards (ISO 20252:2019) and privacy protocols (Market and Social Research Privacy Code) relating to telephone survey methodology.

Data collation, analysis and reporting has been completed by the consultants.

Executive Summary

Research findings have been reported for the total survey group (n=31 respondents) and are tracked against baseline measures from the 2022 customer research report.

This executive summary covers the four key areas of the research -

- Communication
 - Point of contact
 - Ease of contact
 - TasPorts Website
 - Trade reports
- Key Performance Indicators
 - 11 nominated measures of customer satisfaction
- Organisational Requirements
 - Service change
 - Needs understood
- Improvements
 - Frequency of contact
 - Regional forums
 - Other areas of improvement

1. Communication

2. Key performance indicators

3. Organisational requirements

4. Improvements

Communication

Contact with TasPorts

Participants were asked if they had a clear point of contact at TasPorts. The overwhelming majority of customers (81%) perceive they have a clear contact, rating it as 4 or 5 (out of 5). This is an encouraging improvement from the 2022 results (62%).

This nett positive rating was broadly consistent across the business types.

Similarly, ease of contact with TasPorts showed demonstrable improvement from 2022 to 2024, with nett positive ratings up from 69% to 84%.

TasPorts website

When asked about frequency of use of the TasPorts website, participants broadly fell into two categories: those who accessed the website on a daily/weekly basis (42%), and those who accessed it monthly or less often (46%). There was no correlation between frequency of use and perceptions of how informative participants find the website.

Examining year on year changes, 2024 measures indicate participants find the website noticeably more informative (64% nett positive rating) than in 2022 (35%).

Similarly, there was a pleasing uptick in perceptions of ease of use of the website, with nett positive ratings up from 61% in 2022 to 82% in 2024. Most of this shift has come from the previously neutral ratings, down from 25% in 2022 to just 4% in 2024.

Trade reports

Just over half (52%) of survey participants indicated that they currently receive quarterly freight and trade reports. Those who do receive these trade reports rate them positively (71%).

Two-thirds of participants who don't currently receive trade reports would like to. This interest, coupled with the general positive rating for those already receiving them, indicates an opportunity for increased positive engagement with TasPorts for this cohort.

1. Clear point of contact

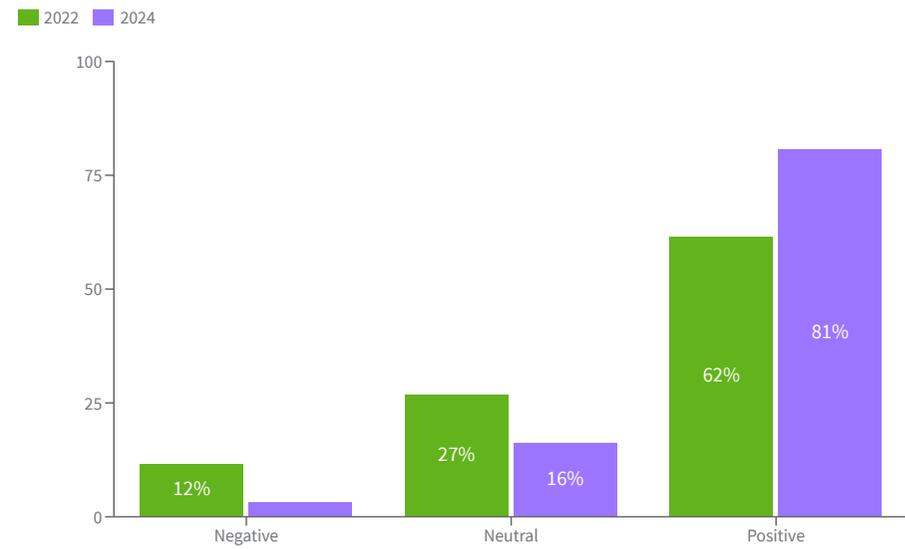
Do you feel you have a clear point of contact at TasPorts?

Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive.

	2022	2024
Negative	12%	3%
Neutral	27%	16%
Positive	62%	81%
Total	100%	100%

1. Clear point of contact

Do you feel you have a clear point of contact at TasPorts?



2. Ease of contact

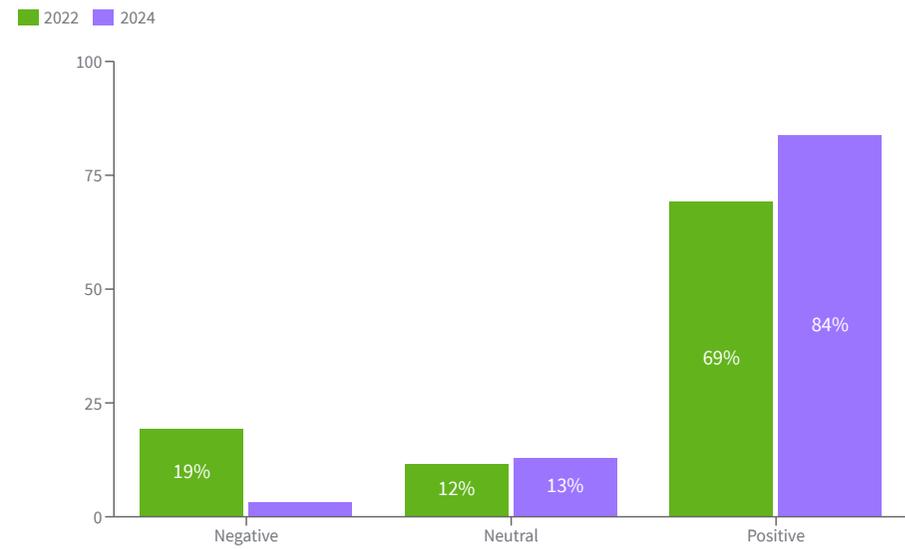
How easy do you find it to contact a TasPorts representative?

Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive.

	2022	2024
Negative	19%	3%
Neutral	12%	13%
Positive	69%	84%
Total	100%	100%

2. Ease of contact

How easy do you find it to contact a TasPorts representative?



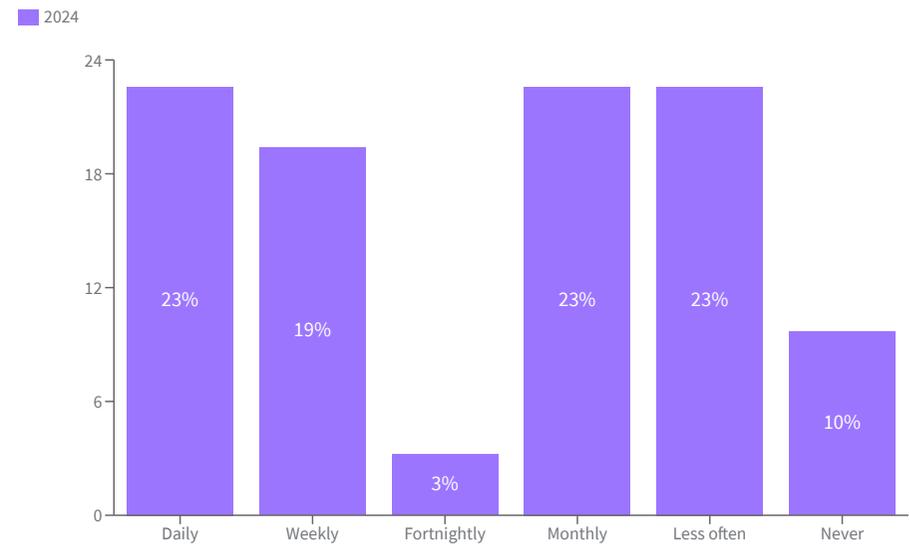
6. Website frequency

How regularly do you access the TasPorts website?

	Responses
Daily	23%
Weekly	19%
Fortnightly	3%
Monthly	23%
Less often	23%
Never	10%
Total	100%

6. Website frequency

How regularly do you access the TasPorts website?



7a. Website informative

How informative do you find the TasPorts website?

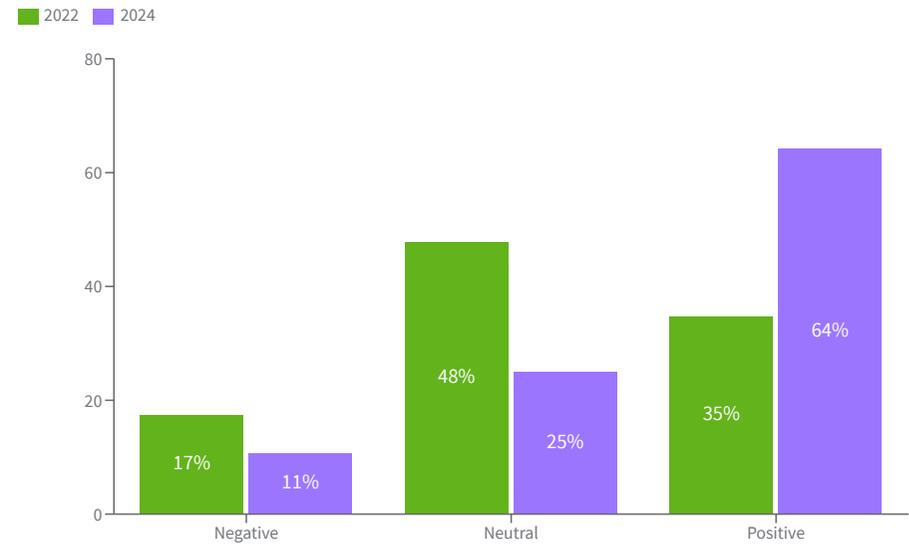
Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive.

	2022	2024
Negative	17%	11%
Neutral	48%	25%
Positive	35%	64%
Total	100%	100%

7a. Website informative

How informative do you find the TasPorts website?

Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive



7b. Website ease of use

How easy to use do you find the TasPorts website?

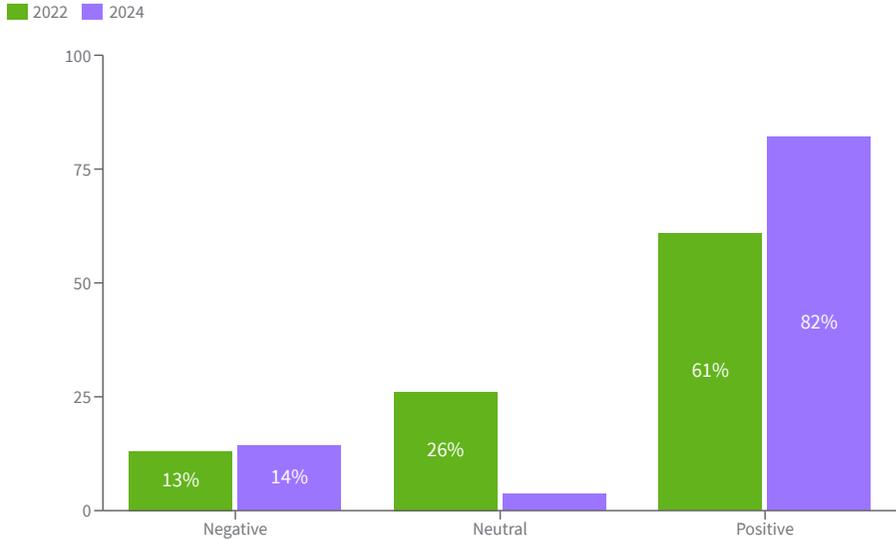
Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive.

	2022	2024
Negative	13%	14%
Neutral	26%	4%
Positive	61%	82%
Total	100%	100%

7b. Website ease of use

How easy to use do you find the TasPorts website?

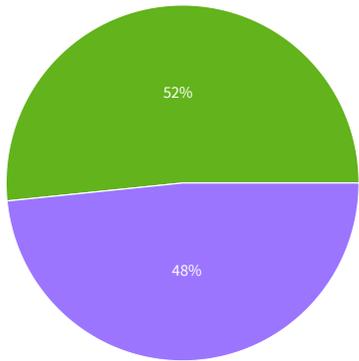
Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive



12. Trade reports

TasPorts produces a quarterly Trade Report providing quarterly freight and trade volumes. Do you receive these Trade Reports?

Yes 16 No 15



12a. Trade reports interesting/ inf...

How interesting/ informative do you find these reports?

Rated on a scale of 1-5, where 5=high and 1=low, recoded to nett negative, neutral, positive.

Asked of those who answered 'Yes' at Q12.

	Responses
Negative	7%
Neutral	21%
Positive	71%
Total	100%

12b. Like to receive trade reports

Would you like to receive the Trade Report?

Asked of those who answered 'No' at Q12.

	Responses
Yes	67%
No	33%
Total	100%

Key Performance Indicators

Overview

Respondents were asked to rate eleven aspects of TasPorts service delivery related to their business.

Chart '4. Key Performance Indicators - Mean scores' below illustrates the levels of satisfaction across the nominated KPIs for 2024, and shows the comparison with the 2022 benchmark levels of satisfaction.

A target satisfaction level of 3.5 has been used as an indicator for the purposes of objective comparison, as this reflects the minimum net positive score.

[Mean scores for 2022 KPI questions 'Interactions with TasPorts staff have been respectful' and 'Interactions with TasPorts staff have been supportive' were recalculated to facilitate a direct comparison with 2024 data.]

Key findings

Ten out of eleven service delivery aspects received a higher rating for customer satisfaction in 2024 compared with the 2022 benchmark data.

The two aspects which achieved the highest mean satisfaction score for 2024 were 'Interactions with TasPorts staff have been respectful and supportive' (4.5) and 'The process for arranging a ship booking/ marine services is an easy & effective process' (4.5).

Only one aspect showed a decline in mean customer satisfaction. 'The service levels of TasPorts infrastructure assets are suitable for our business' decreased from a mean of 3.5 in 2022 to 3.2 in 2024.

Other areas indicating room for improvement were 'The timeliness of TasPorts decision-making is satisfactory' (mean score of 3.4) and 'The services TasPorts offer are value for money' (mean score 3.5).

4. Key Performance Indicators - Mean scores

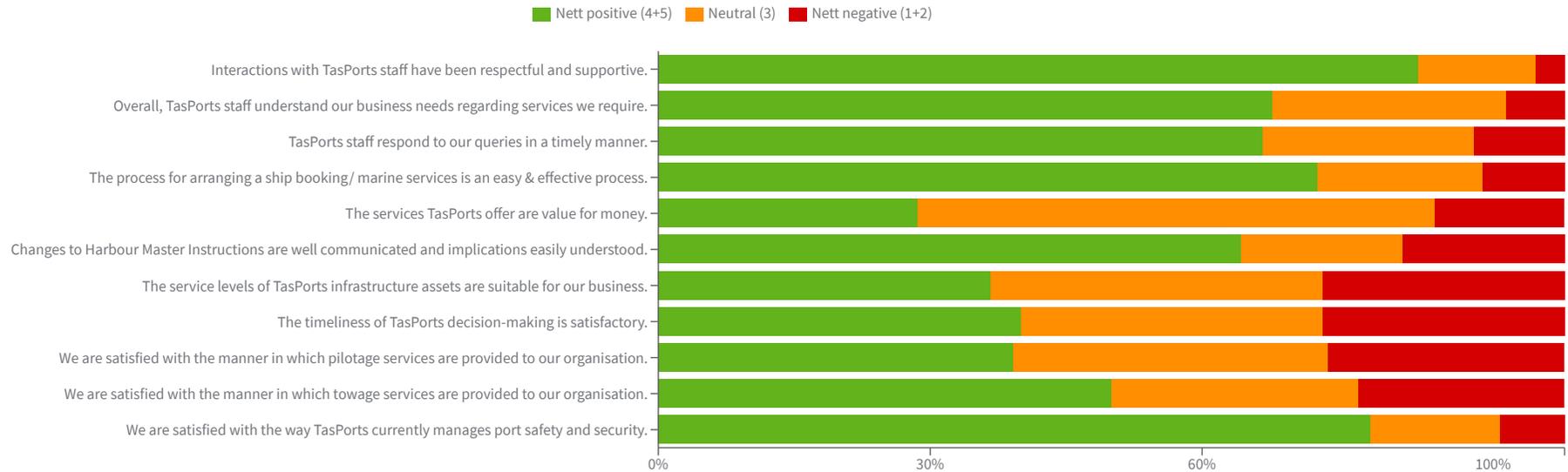
How would you rate TasPorts on the following aspects? (Scale of 1 to 5, where 1 = poor, 3 = average, 5 = excellent).

	2022	2024
Any changes to Harbour Master Instructions are well communicated and the implications for our organisation easily understood.	 3.5	 3.9
Interactions with TasPorts staff have been respectful and supportive.	 3.8	 4.5
TasPorts staff respond to our queries in a timely manner.	 3.3	 4
TasPorts staff understand our business needs regarding services we require.	 3.5	 3.8
The process for arranging a ship booking/ marine services is an easy & effective process.	 3.7	 4.5
The service levels of TasPorts infrastructure assets are suitable for our business.	 3.5	 3.2
The services TasPorts offer are value for money.	 3.1	 3.5
The timeliness of TasPorts decision-making is satisfactory.	 3.1	 3.4
We are satisfied with the manner in which pilotage services are provided to our organisation.	 3.3	 4
We are satisfied with the manner in which towage services are provided to our organisation.	 3.4	 4.2
We are satisfied with the way TasPorts currently manages port safety and security.	 4.2	 4.3

4. KPIs 2024

How would you rate TasPorts on the following aspects? (Scale of 1 to 5, where 1 = poor, 3 = average, 5 = excellent).

'NA/DK' responses have been excluded from this graphic.



Organisational Requirements

Organisational service changes

Just over one-third (35%) of businesses surveyed indicated they expect their port service needs to change over the next five years. This is similar to projections from the 2022 survey.

Understanding business needs

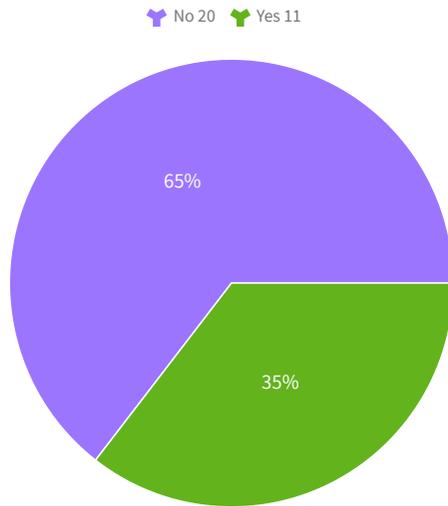
Participants were asked how well TasPorts have understood their organisation's needs for infrastructure planning.

This aspect indicated a relatively low level of satisfaction with 47% giving a nett positive score. This is similar to the nett positive score from 2022 (44%).

On a positive note, nett negative scores for understanding business needs have reduced from 32% in 2022 to 20% in 2024. Most of this differential has moved to the neutral category.

5. Organisational service change

Do you anticipate that your organisation's requirements for port and marine services are likely to change significantly in the next 5 years?



8. Business needs understood

How well do you feel your organisation or industry's needs are understood by TasPorts for infrastructure planning?

(scale of 1-5, where 5=high and 1=low)

	2022	2024
Negative	32%	20%
Neutral	24%	33%
Positive	44%	47%
Total	100%	100%

Improvements

More frequent contact

Participants were asked if they believe their business would benefit from more frequent contact with TasPorts. The majority of participants (65%) indicated they would benefit from more frequent contact. This is a slight increase from 2022 (58%).

Regarding frequency of such contact, 60% of customers indicated monthly would be most useful to them.

This information provides a clear and reasonably simple action point for TasPorts to implement, that would potentially have a positive flow-on impact on other satisfaction scores.

Specific improvements

When asked if there were specific areas in which TasPorts could improve, 81% of participants said yes, a slight increase over 2022 responses (77%). Participants were then asked to nominate specific areas for improvement in open text fields, which were collated by theme.

The four key areas for improvement nominated by participants were:

- Infrastructure (improvement, strategic planning, safety/ maintenance) (29% mention)
- Pilot shortage (23% mention)
- Communication (consultation, transparency) (19% mention)
- Operational (decision-making, actions) (19% mention).

There is some crossover with improvements nominated in 2022.

Regional forums

The concept of regional forums received an overwhelmingly positive response from participants with 81% indicating interest in attending such events.

The three areas of most interest were:

- Infrastructure
- Operations
- Commercial and Trade.

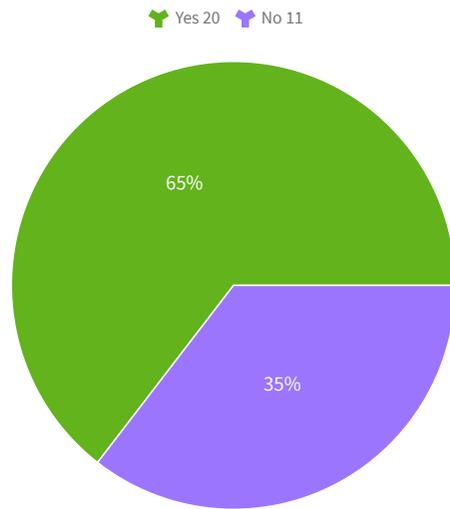
Again, this strong interest in regional forums offers TasPorts a potentially influential mechanism for relationship-building with their customer base and has great potential to enhance overall satisfaction levels.

Survey results

Participants were very strong on their preference to receive a copy of the results of this survey (94%). All indicating they would like to receive via email.

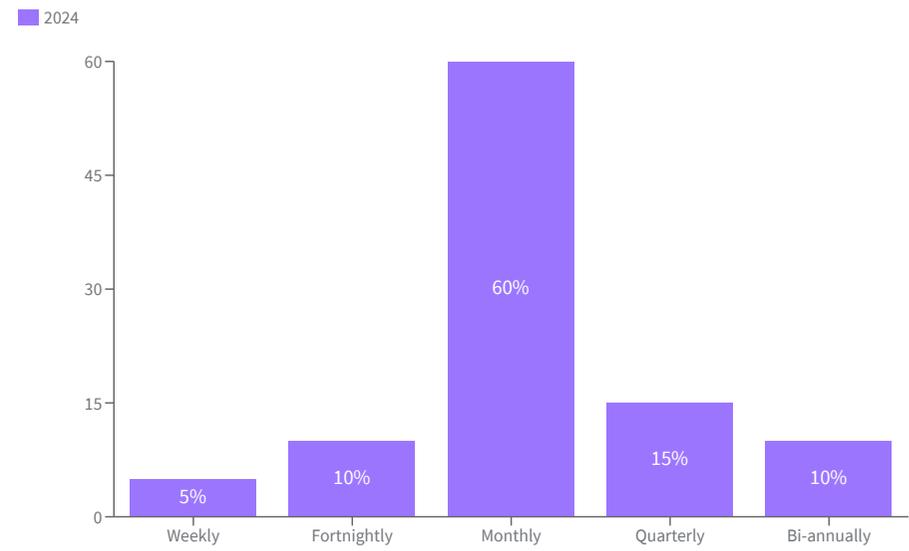
9. Regular contact

Would your business benefit from more regular contact with a TasPorts representative?



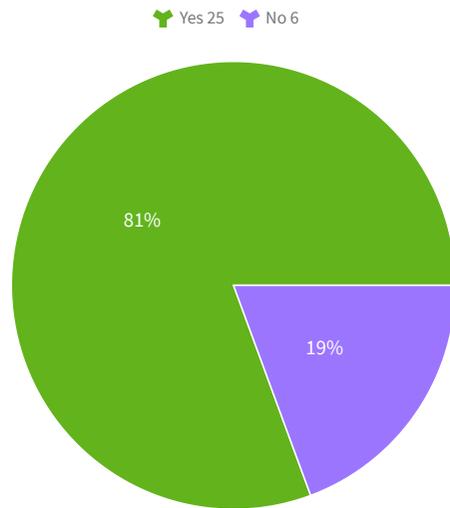
9a. Frequency of contact

How regularly would you like that contact to be?



11. Improvements

Are there specific areas that you believe TasPorts can improve in?



11a. Improvements

Are there specific areas that you believe TasPorts can improve in?

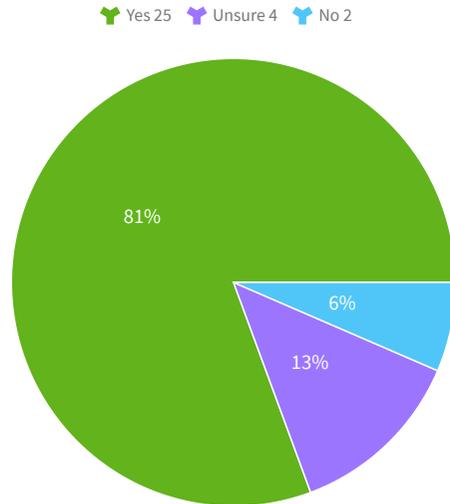
Key themes from open text responses.

	Responses
Infrastructure - improvement, strategic planning, safety/maintenance	29%
Pilot shortage	23%
Communication - consultation, transparency	19%
Operational - decision-making	19%
Dredging - too infrequent	6%
Total	100%

13. Regional forums

TasPorts is looking to increase the focus on regular regional port forums for customers to receive business updates and have the opportunity to engage with representatives from key business areas in an informal manner.

Would you see value in attending these forums?



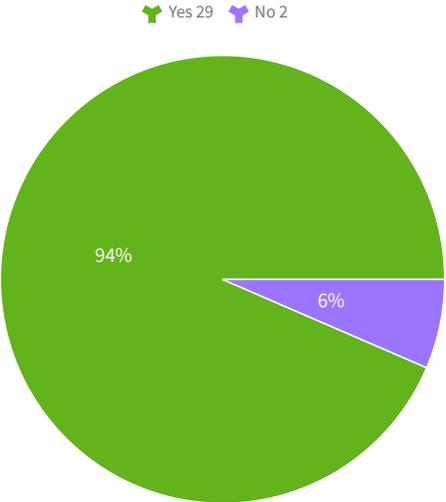
13a. Regional forums areas of interest

What are your areas of interest?

	Responses
Infrastructure (engineering, condition of assets, wharf infrastructure, port planning)	52%
Operations (landside port operations)	39%
Commercial and Trade (customer relationships, business development, trade/freight statistics & trends)	39%
Marine – Pilots (pilot movements and launches/ transfers, marine operatives)	35%
Vessel Traffic Services (scheduling & berth/ marine service arrangements, portmate vessel bookings, liaison with Agents)	32%
Harbour Master (harbour master instructions, port maritime regulations)	19%
Marine - Towage (tugs)	16%
Security (security guards, security requirements, TOSC -TasPorts State Operations Centre)	13%
Environment and sustainability (noise standards, environmental management, sustainability planning, pollution concerns)	13%
People and Safety (culture, port safety)	10%
Property - Leasing	6%
Finance (invoicing, payment of invoices)	6%
Corporate Affairs (communications, media, website, social media)	3%
Other (please specify)	13%
Total	100%

15. Results of survey

Would you like to receive feedback from this customer survey?



15a. Results of survey method

Asked of those who answered 'Yes' to Would you like to receive the results of this customer survey?

	Responses
Email	93%
Email with a face to face follow up up discussion	3%
Email. In the past we have not received any feedback from similar surveys	3%
Total	100%

Business type

Customer type as supplied by client.
Multiple responses permitted.

	Responses
Volume Customers	45% 14
Agents	23% 7
Leasing/ Licence	45% 14
Key Revenue Customers	48% 15
Other Key Customers	6% 2
Cruise	13% 4
Marine Services	52% 16
Growth	19% 6
Total	100% 31

1. Clear point of contact

Do you feel you have a clear point of contact at TasPorts?

Rated on a scale of 1-5, where 5=high and 1=low.

	Responses
1	3% 1
2	0% 0
3	13% 4
4	13% 4
5	71% 22
NA/ DK	0% 0
Total	100% 31

2. Ease of contact

How easy do you find it to contact a TasPorts representative?

Rated on a scale of 1-5, where 5=high and 1=low.

	Responses
1	0% 0
2	3% 1
3	13% 4
4	32% 10
5	52% 16
NA/ DK	0% 0
Total	100% 31

4. KPIs 2024

How would you rate TasPorts on the following aspects? (Scale of 1 to 5, where 1 = poor, 3 = average, 5 = excellent).

	1	2	3	4	5	NA/ DK	Total
Interactions with TasPorts staff have been respectful and supportive.	0% 0	3% 1	13% 4	10% 3	74% 23	0% 0	100% 31
Overall, TasPorts staff understand our business needs regarding services we require.	0% 0	6% 2	26% 8	45% 14	23% 7	0% 0	100% 31
TasPorts staff respond to our queries in a timely manner.	0% 0	10% 3	23% 7	32% 10	32% 10	3% 1	100% 31
The process for arranging a ship booking/ marine services is an easy & effective process.	0% 0	6% 2	13% 4	29% 9	23% 7	29% 9	100% 31
The services TasPorts offer are value for money.	3% 1	10% 3	52% 16	19% 6	6% 2	10% 3	100% 31
Any changes to Harbour Master Instructions are well communicated and the implications for our organisation easily understood.	3% 1	13% 4	16% 5	32% 10	26% 8	10% 3	100% 31
The service levels of TasPorts infrastructure assets are suitable for our business.	13% 4	13% 4	35% 11	26% 8	10% 3	3% 1	100% 31
The timeliness of TasPorts decision-making is satisfactory.	6% 2	19% 6	32% 10	16% 5	23% 7	3% 1	100% 31
We are satisfied with the manner in which pilotage services are provided to our organisation.	6% 2	13% 4	26% 8	13% 4	16% 5	26% 8	100% 31
We are satisfied with the manner in which towage services are provided to our organisation.	3% 1	13% 4	19% 6	23% 7	13% 4	29% 9	100% 31
We are satisfied with the way TasPorts currently manages port safety and security.	0% 0	6% 2	13% 4	39% 12	32% 10	10% 3	100% 31

5. Organisational service chan...

Do you anticipate that your organisation's requirements for port and marine services are

likely to change significantly in the next 5 years?

	Responses
Yes	35% 11
No	65% 20
Total	100% 31

6. Website frequency

How regularly do you access the TasPorts website?

	Responses
Daily	23% 7
Weekly	19% 6
Fortnightly	3% 1
Monthly	23% 7
Less often	23% 7
Never	10% 3
Total	100% 31

7a. Website informative

How informative do you find the TasPorts website?

Rated on a scale of 1-5, where 5=high and 1=low.

	Responses
1	0% 0
2	11% 3
3	25% 7
4	50% 14
5	14% 4
NA/ DK	0% 0
Total	100% 28

7b. Ease of use

How easy to use do you find the TasPorts website?

Rated on a scale of 1-5, where 5=high and 1=low.

	Responses
1	4% 1
2	11% 3
3	4% 1
4	57% 16
5	25% 7
NA/ DK	0% 0
Total	100% 28

8. Business needs understood

How well do you feel your organisation or industry's needs are understood by TasPorts for infrastructure planning?

(scale of 1-5, where 5=high and 1=low)

	Responses
1	3% 1
2	16% 5
3	32% 10
4	26% 8
5	19% 6
NA/ DK	3% 1
Total	100% 31

9. Regular contact

Would your business benefit from more regular contact with a TasPorts representative?

	Responses
Yes	65% 20
No	35% 11
Total	100% 31

9a. More frequent contact

How regularly would you like that contact to be?

Asked of those who answered 'Yes' at Q9.

	Responses
Weekly	5% 1
Fortnightly	10% 2
Monthly	60% 12
Quarterly	15% 3
Bi-annually	10% 2
Total	100% 20

11. Improvements

Are there specific areas that you believe TasPorts can improve in?

	Responses
Yes	81% 25
No	19% 6
Total	100% 31

12. Trade reports

TasPorts produces a quarterly Trade Report providing quarterly freight and trade volumes. Do you receive these Trade Reports?

	Responses
Yes	52% 16
No	48% 15
Total	100% 31

12a. Trade reports interesting...

How interesting/ informative do you find these reports?

Rated on a scale of 1-5, where 5=high and 1=low.

Asked of those who answered 'Yes' at Q12.

	Responses
1	6% 1
2	0% 0
3	19% 3
4	50% 8
5	13% 2
NA/ DK	13% 2
Total	100% 16

12b. Like to receive trade repo...

Would you like to receive the Trade Report?

Asked of those who answered 'No' at Q12.

	Responses
Yes	67% 10
No	33% 5
Total	100% 15

13. Regional forums

TasPorts is looking to increase the focus on regular regional port forums for customers to receive business updates and have the opportunity to engage with representatives from key business areas in an informal manner.

Would you see value in attending these forums?

	Responses
Yes	81% 25
No	6% 2
Unsure	13% 4
Total	100% 31

15. Results of survey

Would you like to receive the results of this customer survey?

	Responses
Yes	94% 29
No	6% 2
Total	100% 31

16. Other comments

Do you have any other feedback that you would like to share?

Key themes from open text responses.

	Responses
Communication - consultation, transparency	14% 1
Operational - decision making, consultation	14% 1
Pilot issues - shortage	29% 2
Positive comment	57% 4
Total	100% 7

Sample distribution

Customer type as supplied by client.

	Volume	Agents	Leasing/ Licence	Key Revenue	Other Key	Cruise	Marine Services	Growth
AAD	0	0	1	1	1	0	1	1
Artec	1	0	0	1	0	0	1	0
Bell Bay Aluminium	1	0	0	1	0	0	1	0
Carnival	0	0	0	0	0	1	0	0
Cement Australia	1	0	1	1	0	0	1	0
Cosco/OOCL	1	0	0	1	0	0	1	0
Cruise Inchcape - Cruise Operations Manager - AU/SP	0	1	0	0	0	1	0	0
Cruise Wilhelmsen - Cruise Ship Port Agency Manager - Oceania	0	1	0	0	0	1	0	0
Forico	1	0	0	1	0	0	1	0
Impact Fertilisers	1	0	0	1	0	0	1	0
Inchcape	0	1	1	0	0	0	0	0
Liberty Bell Bay (TEMCO)	1	0	1	1	0	0	1	1
Midway Australia	0	0	1	0	0	0	0	0
Monson Agencies	0	1	0	0	0	0	0	0
MSC	1	0	0	1	0	0	1	0

	Volume	Agents	Leasing/ Licence	Key Revenue	Other Key	Cruise	Marine Services	Growth
Mures	0	0	1	0	0	0	0	0
Nexsphere	0	0	0	0	0	0	0	1
Nyrstar	1	0	0	1	0	0	1	0
Origin Energy	1	0	0	1	0	0	1	0
Qube	0	0	1	0	0	0	0	0
Queen Shipping (Toll/Straitlink)	1	0	1	1	0	0	1	1
Royal Carribean	0	0	0	0	0	1	0	0
Skretting	0	0	1	0	1	0	1	0
Star of the South	0	0	0	0	0	0	0	1
Sustainable Timber Tasmania	1	0	1	1	0	0	1	0
Tasmania Mines	1	0	0	1	0	0	1	0
Tasmanian Shipping Supplies	0	1	1	0	0	0	0	0
Tasmanian Worldwide Shipping	0	1	1	0	0	0	0	0
Tasrex	0	0	0	0	0	0	0	1
TT-Line	1	0	1	1	0	0	1	0
Wilhelmsen	0	1	1	0	0	0	0	0
Total	14	7	14	15	2	4	16	6



TasPorts

Our TasPorts Pulse Survey June 2025

Insights

Why are we here?



1.

Review the results of our Our
TasPorts Pulse Survey June
2025



2.

Discuss the implications of
these results



3.

Identify focus areas and take
action

What are we comparing to?



previous

Our TasPorts Pulse
Survey 2024

We are comparing these results with our previous survey results.

What's a good participation rate?

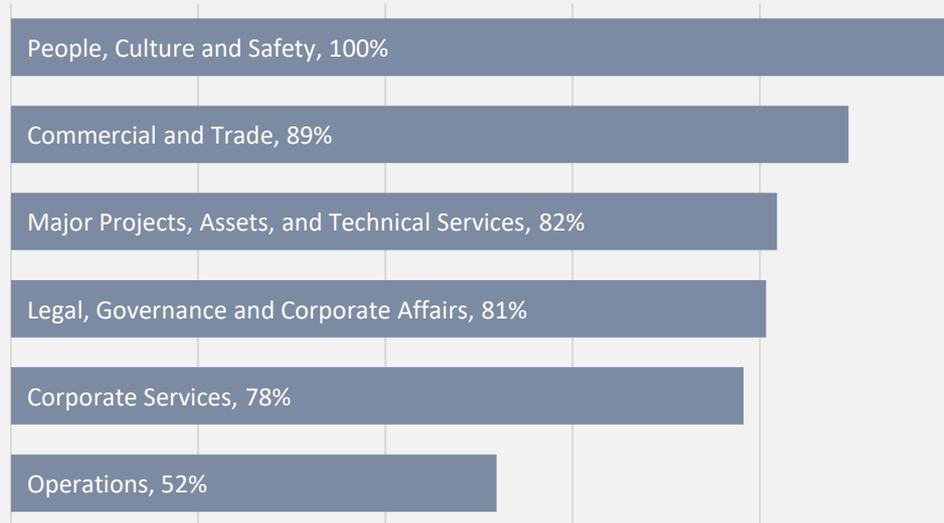
Participation rates help us understand how representative the feedback is. While we are not aiming for 100%, a majority of employees is an indicative sample.

Participation rates by Division

Our TasPorts Pulse Survey June
2025

64%

Responses: 214 of 336



70% of Culture Amp customers have response rates between 75% and 90%.

Why do we care about engagement?

Engagement is a measure of people's connection and commitment to the company and its goals. By lifting it, we can impact performance, innovation, retention and attraction of talent.

Our Engagement score

CURRENT

Our TasPorts Pulse Survey June
2025

59%



How did we compare?

PREVIOUS

Our TasPorts Pulse Survey 2024

+18

Score: 41%

Questions we asked:

1. I feel confident speaking positively about working at TasPorts.
2. I feel a strong sense of pride and purpose in the work I do at TasPorts.
3. I feel motivated to do my best work at TasPorts.
4. I feel satisfied in my current role and not actively seeking other opportunities.
5. I can see long-term career opportunities for myself at TasPorts.

What are survey factors?

In addition to Engagement, we asked questions about other factors regarding our workplace and culture. A factor score is the average score of all questions within that factor.



Factor Summary

Powered by  Culture Amp

Factor	Previous	Score
Leadership	N/A	65
Impact	N/A	63
Engagement	+18	59

Factor	Previous	Score

Strengths & Opportunities

We'll now take a closer look at the questions. We can see our Strengths (higher scores) and Opportunities (low scores). Strengths are things we can celebrate while Opportunities represent things we should keep an eye on for improvement.

Highest 3 Scores

I feel supported by my manager when work is challenging. **71%**

I feel a strong sense of pride and purpose in the work I do at TasPorts. **69%**

I feel respected, valued, and comfortable being myself at work. **67%**

Highest 3 Scores vs. Previous

I feel motivated to do my best work at TasPorts. **+35 65%**

My workload is manageable and allows me to do my job well. **+29 59%**

I feel a strong sense of pride and purpose in the work I do at TasPorts. **+26 69%**

These are the key areas we are excelling in, and most improved areas compared to our previous survey.

Lowest 3 Scores

I can see long-term career opportunities for myself at TasPorts.

50%

I feel confident speaking positively about working at TasPorts.

52%

I believe TasPorts is genuinely committed to diversity and inclusion.

59%

Lowest 3 Scores vs. Previous

I feel respected, valued, and comfortable being myself at work.

-11 **67%**

I feel supported by my manager when work is challenging.

-7 **71%**

I can see long-term career opportunities for myself at TasPorts.

+1 **50%**

These are the key areas with opportunities to improve overall, and compared to our previous survey.

Taking action: where do we start?

Culture Amp's Focus Agent is a statistical algorithm, based on IO psychology, that easily identifies areas with the most potential for positive change. We'll take a deeper look at three questions the Focus Agent has suggested for us to act on.

Factor	Question	Score	Previous
Impact	I feel respected, valued, and comfortable being myself at work.	67%	-11
Leadership	I feel supported by my manager when work is challenging.	71%	-7
Impact	I feel safe to speak up at work even if my opinion is different.	62%	N/A

The Focus Agent suggests that action in these three areas will provide the most impact.

What's our job now?

Companies who choose a single focus are most successful at driving change.

Choose one focus area suggested by the Focus Agent or by diving deeper into the results.

Choose one of the following:

I feel respected, valued, and comfortable being myself at work.

I feel supported by my manager when work is challenging.

I feel safe to speak up at work even if my opinion is different.

Key things you might consider and discuss:

- Data that stood out or concerns us most today
- Focus areas, strengths or opportunities that are aligned with our business objectives
- What do we have the most enthusiasm and motivation to tackle now?
- What focus areas might have a significant impact on our company?

CONSULTANCY SERVICES ENGAGED THAT ARE VALUED AT LESS THAN \$50,000 (EX GST) TO 30 JUNE 2025 FOR THE ECONOMIC ENTITY

NAME OF CONSULTANT	LOCATION	DESCRIPTION	CAPITAL EXPENDITURE	OPERATIONAL EXPENDITURE
Airworks Consulting Pty Ltd	Queensland	Engineering consultancy and services		-\$6,120
All Urban Planning Pty Ltd	Tasmania	Planning advice	\$4,090	
ASC Engineers	Tasmania	Marine and civil construction	\$29,648	
Before Creative	Tasmania	Environmental consultancy services	\$3,330	
Benchmark Building Surveyors Pty Ltd	Tasmania	Building surveyors		\$35,628
CT Management Group Pty Ltd	Victoria	Advisory services		\$1,000
Environmental Service & Design	Tasmania	Environmental consultancy services	\$6,747	\$1,361
ERA Planning & Environment	Tasmania	Environmental consultancy services	\$24,402	
FSC Range	Victoria	Engineering design and consulting		\$9,713
Geoton Pty Ltd	Tasmania	Engineering services		\$5,610
Glasshouse Consulting Pty Ltd	Queensland	Project concept and design services		\$25,017
Goldie Consulting Pty Ltd	Tasmania	Marine and civil construction		\$9,275
Haskoning Australia Pty Ltd	New South Wales	Engineering design	\$23,000	\$25,000

Howarth Fisher and Associates	Tasmania	Engineering design	\$22,750	
Injury Prevention & Management Pty Ltd	Tasmania	Injury prevention and management		\$13,225
Jaafari Consulting Services Pty Ltd ATF Open Executive Trust	New South Wales	Project management		\$15,000
Jacobs Group (Australia) Pty Ltd	Victoria	Consultancy services		\$21,149
JBS&G Australia Pty Ltd	Tasmania	Advisory services		\$13,600
John Wardle Architects	Victoria	Marine and civil construction	\$9,000	
Katestone Environmental Pty Ltd	Queensland	Environmental consultancy services		\$7,900
Kedge Pty Ltd	Tasmania	Engineering consultancy and services		\$4,988
Kingston Reid	New South Wales	Human resources consulting		\$25,503
Landstorm Engineering	Tasmania	Engineering consultancy and services		\$3,500
Latitude 42 Environmental Consultants Pty Ltd	Tasmania	Environmental consultancy services		\$2,500
Lime Intelligence Pty Ltd	Queensland	Aviation advisory services		\$4,000
Lloyd-Jones Meakin Group Pty Limited	New South Wales	Advisory services		\$10,226
Maritime Survey Australia	Victoria	Marine consultancy services		\$7,826
Marsh Pty Ltd	Queensland	Regulatory and compliance services		\$6,000
McGuire Maritime Pty Ltd	Tasmania	Regulatory and compliance services	\$21,730	\$12,758
Melanie Irons	Tasmania	Human resources consulting		\$3,750
MER Solutions Asia Pacific Pty Ltd	Queensland	Regulatory and compliance services		\$31,205
MoorMarine Pty Ltd	Western Australia	Engineering design and consulting		\$44,658
Myriad Research	Tasmania	Project concept and design services		\$13,555
Neil Lawson & Associates Pty Ltd	Tasmania	Advisory services	\$15,902	
O'Connor Marsden & Associates Pty Ltd	New South Wales	Advisory services	\$2,700	

Ossa IT	Tasmania	Technology and business solutions		\$20,800
PD Consulting	Victoria	Consultancy services		\$23
Peacock Darcey & Anderson P/L	Tasmania	Engineering consultancy and services		\$40,393
Pitch Black Group Pty Ltd	Queensland	Regulatory and compliance services		\$19,500
Pitt&Sherry Building Surveying	Tasmania	Building surveyors	\$2,848	
Presna Pty Ltd	Victoria	Engineering consultancy and services		\$8,930
Project Services & Advisory Group P/L	Victoria	Project management		\$30,000
Safety Made Simple	Tasmania	Injury prevention and management		\$15,625
Sego Pty Ltd	Tasmania	Building surveyors		\$6,128
Sensei Productivity Pty Ltd	Tasmania	Advisory services		\$13,125
SESG (Sustainable ESG)	New South Wales	Advisory services		\$49,959
SGS Economics and Planning Pty Ltd	Victoria	Advisory services	\$18,089	
Southern Archaeology	Tasmania	Regulatory and compliance services		\$5,764
Strategic Employee Relations Pty Ltd	South Australia	Human resources consulting		\$17,485
Synergies Economic Consulting	Queensland	Strategic advisory		\$47,500
Taplin Consulting	Tasmania	Engineering design and consulting	\$22,365	
Tension Technology International Ltd	United Kingdom	Engineering design and consulting		\$1,317
The Project Lab Pty Ltd	Tasmania	Technology and business solutions	\$7,500	\$14,973
The Ship Consulting	Tasmania	Strategic advisory		\$46,117
TMR Systems Pty Ltd	Tasmania	Technology and business solutions		\$21,600
Tom Griffiths Consulting	Tasmania	Human resources consulting		\$8,250
Tony Wilks & Associates Pty Ltd	Tasmania	Human resources consulting		\$15,600
Utility Detection & Mapping Pty Ltd	Tasmania	Engineering services		\$7,008

Veris Australia Pty Ltd	Tasmania	Land surveying		\$19,500
Wallasey Advisory Pty Ltd	Tasmania	Advisory services	\$21,846	
Wallbridge Gilbert Aztec Vic Pty Ltd	Victoria	Engineering consultancy and services		\$21,127
Wise Lord & Ferguson	Tasmania	Regulatory and compliance services		\$255
WT Partnership	Tasmania	Quantity surveying	\$26,744	\$7,950
WTP Australia Pty Limited	New South Wales	Quantity surveying	\$7,520	
TOTAL			\$270,211	\$786,756
64 Consultants		Rounding	-\$1	-\$1
CONSULTANTS - INDIVIDUALLY LESS THAN \$50,000			\$270,210	\$786,755

**GBE-SOC Budget Scrutiny Briefing - TasPorts
Questions on Notice – House of Assembly**

Appendix

1. Tenant Notice SOT-NOT-008 (1)_Redacted
2. 6A0000-TASP-1430-COM-NOT-0001 (6)_Redacted
3. Tenant Notice SOT-NOT-007_Redacted
4. 6A0000-TASP-1430-COM-NOT-0001 (6)_Redacted
5. 6.09.2024 R Hall TT Line_redacted
6. 6A0000-TASP-1430-COM-NOT-0035 - Revised Estimate Inv VAR014 Apr 2024 (1)
(1)_redacted
7. TASPSPORTS-RFI-000101_redacted
8. TASPSPORTS-RTRANSMIT-000619_redacted
9. TASPSPORTS-RTRFI-000137_redacted
10. TASPSPORTS-RTRFI-000138_redacted
11. TASPSPORTS-RTRFI-000192_redacted
12. TASPSPORTS-TENCORR-000073_redacted
13. TASPSPORTS-TENCORR-000081_redacted
14. TASPSPORTS-TENCORR-000085_redacted
15. TASPSPORTS-TRANSMIT-000027_redacted
16. TASPSPORTS-TRANSMIT-001247_redacted
17. TASPSPORTS-TRANSMIT-001255_redacted
18. TTLine-RTRANSMIT-000029_redacted
19. TTLine-RTRANSMIT-000088_redacted
20. TTLine-RTRFI-000037_redacted
21. TTLine-RTRFI-000041_redacted
22. TTLine-TENCORR-000027_redacted
23. TTLine-TENCORR-000031_redacted
24. AD001 FW_ TasPorts Data Received_redacted
25. AD002 FW_ MEETING 5pm _ ONLINE ONLY - TT-Line Sub Committee Cabinet
Meeting_redacted
26. AD003 FW_ TT line contingency berth notes_redacted
27. CL001 MEETING 5pm ONLINE ONLY - TT-Line Sub Committee Cabinet
Meeting_redacted
28. TasPorts_Customer survey_Nov 2022
29. TasPorts_Customer survey Report_April 2024
30. Macquarie Point Land Transfer

31. Consultants under \$50,000

32. TasPorts Engagement Survey – June 2025

OFFICIAL

Minister for Police, Fire and Emergency Management
Minister for Business, Industry and Resources
Minister for Skills and Jobs

Level 5, 4 Salamanca Place HOBART TAS 7000
GPO Box 123 HOBART TAS 7001
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Ms Fiona Murphy
Secretary
House of Assembly
Business Scrutiny Committee
Email: fiona.murphy@parliament.tas.gov.au

Dear Ms Murphy

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

There have been three fines paid by Sustainable Timber Tasmania for breaches of forest practices plans in the past five years, totalling \$45,000 in fines. The details of these breaches are listed in Attachment 1 as per the requested information.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Felix Ellis".

Hon Felix Ellis MP
Minister for Business, Industry and Resources

3/12/2025

OFFICIAL

Summary of Fines paid by Sustainable Timber Tasmania for breaches of Forest Practices plans in past five years

Date issued	Coupe /location	Fine Amount	Nature of Breach
December 2024	Taranna 001L	\$20,000	<p>Carrying out forest practices in contravention of a Forest Practices Plan</p> <p>This fine relates to the management of a class 4 stream crossing for an extraction track, which was inspected by the FPA during a routine audit in April 2024.</p> <p>The FPA determined that the streamside crossing had not been minimized, with multiple crossing points (3) in one location.</p>
December 2020	Styx 027E	\$15,000	<p>Not complying with provisions of a Forest Practices Plan.</p> <p>The certified Forest Practices Plan contained a provision to harvest in “dry weather only”. Some felling (without extraction) of approximately 1.5 hectares subsequently took place in late August 2020, prior to the Forest Practices Authority requesting that on-site operations cease on the 27th August.</p> <p>The FPA soil and water specialist visited the coupe on 31st August and recommended the removal of the dry weather only prescription based on the presence of low erodibility soils. A variation to the FPP was subsequently granted, referring instead to the Forest Practices Code’s wet weather limitations.</p> <p>Harvesting resumed on 1st September 2020.</p>
December 2020	Wentworth 036B	\$10,000	<p>Harvesting without a valid Forest Practices Plan</p> <p>A five-hectare section of a coupe was harvested without a Forest Practices Plan in August 2020. The area was adjacent to an existing harvest that was covered by certified Forest Practice Plan and it was planned to incorporate the extra area into this plan via variation. However, harvesting was undertaken prior to the application for the variation of the certified plan being granted.</p> <p>This issue was self-reported to the FPA.</p>

Minister for Primary Industries and Water
Minister for Veterans' Affairs

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Phone: +61 3 6165 7670
Email: minister.pearce@dpac.tas.gov.au



Ms Fiona Murphy
Secretary, House of Assembly Government Business Scrutiny Committee
Email: Fiona.murphy@parliament.tas.gov.au

9 DEC 2025

Dear Ms Murphy

Question on Notice: Tasmanian Irrigation – EPBC Act non-conformances – Northern Midlands Irrigation Scheme (EPBC 2022/09295)

I write to provide information in response to a Question on Notice arising from Tasmanian Irrigation's attendance at the Government Business Scrutiny Committee hearing of 25 November 2025.

Tasmanian Irrigation, as the EPBC permit holder, has identified five non-conformances associated with the Northern Midlands Irrigation Scheme (NMIS) under EPBC 2022/09295. All five were self-identified by Tasmanian Irrigation or its environmental advisors and reported to the Commonwealth Department of Climate Change, Energy, the Environment and Water (DCCEEW) in accordance with conditions 46 and 47 of the permit.

Attachment 1 provides a detailed description of each non-conformance, as extracted from Tasmanian Irrigation's most recent Annual Compliance Report for EPBC 2022/09295. The attachment sets out, for each matter, the relevant condition or management measure, date and location, circumstances of the non-conformance, the environmental consequences, and the corrective and preventative actions implemented.

Tasmanian Irrigation advises that, based on ecological surveys and the investigations submitted to DCCEEW, none of the five non-conformances resulted in impacts to Matters of National Environmental Significance, and the project remains compliant with condition 2 of the EPBC approval, which sets the limits on impacts to protected matters.

Yours sincerely

Hon Gavin Pearce MP
Minister for Primary Industries and Water

Minister for Energy and Renewables
Minister for Parks
Minister for Sport



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23rd December 2025

Ms Fiona Murphy
Secretary, House of Assembly Government Business Scrutiny Committee
Parliament of Tasmania
Fiona.Murphy@parliament.tas.gov.au

Dear Ms Murphy

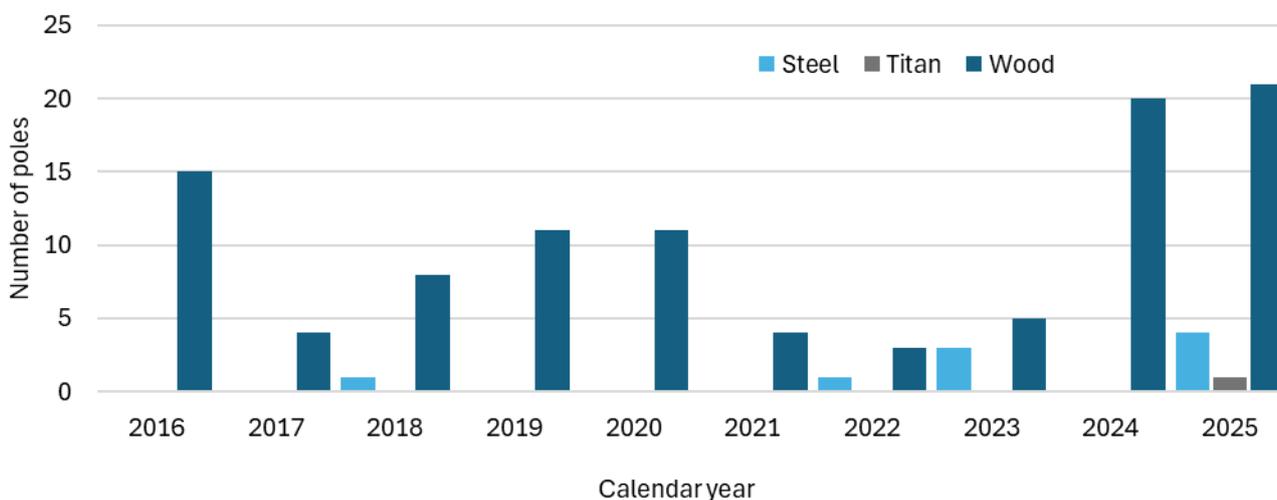
Thank you for your letter on 26 November 2025 requesting further information following the recent House of Assembly Government Business Scrutiny session for TasNetworks on 25 November 2025. Please find the requested information below for noting.

Regarding data for unassisted pole failures, TasNetworks has advised that the differences in totals across the categories are not data errors, but rather are due to some older records being incomplete and investigations that are still underway on some recent records. Data provided by TasNetworks for each question includes all complete records for that specific question.

1. Please chart the last ten years of unassisted pole failures by:

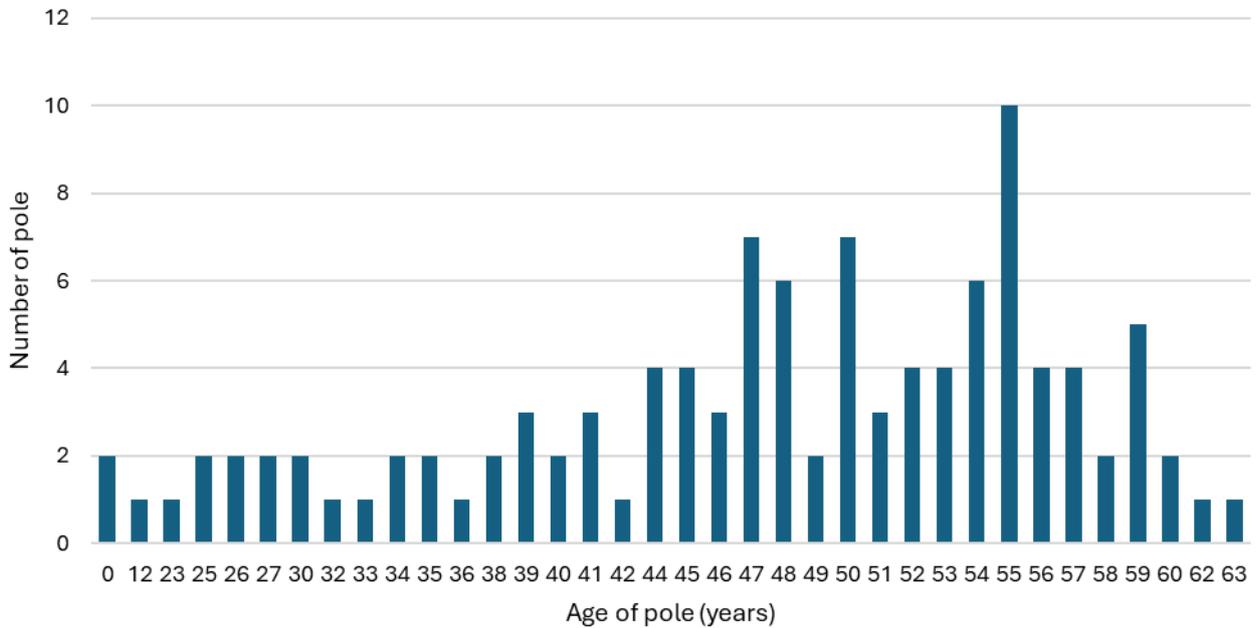
a. Type of pole;

Please see the chart below for the yearly breakdown (2016-2025, inclusive) of unassisted pole failures by pole type.



b. age of pole;

Please see the chart below for the age at failure for unassisted pole failures over the past ten years (2016-2025, inclusive).



c. had they been inspected in prior 5 years; and

As part of TasNetworks' asset maintenance, all poles are inspected physically (from the ground) and virtually (via drone) every five years (except streetlights). These inspections are offset to achieve inspection every 2.5-3 years. This includes both privately owned poles and those owned by TasNetworks.

In the last ten years, there were three unassisted pole failures that had not been inspected in the prior five years. I am advised this was due to them not being recorded in TasNetworks database. Due to the risk of legacy assets not being included in TasNetworks systems, the business has numerous actions in place to continually reduce this risk and improve their asset register. These actions include inspecting all poles, not just those owned by TasNetworks. These include Telstra telecommunication and private poles. TasNetworks also utilises a "follow-the-wire" methodology, meaning that when conducting pole inspections, all poles are checked and properly inspected, regardless of whether they are in the inspection program. Should any pole that is not recorded in the system be found, it is documented and added into future inspection cycles.

d. was the pole reinforced, did it fail outside the parameters of the reinforcement. Please table the result of investigations of the failures.

Of the 110 unassisted pole failures that TasNetworks has reinforcement data on over the last 10 years (2016-2025), 93 were not reinforced and 17 were reinforced. Unassisted staked pole failures are almost exclusively the result of factors other than the stakes themselves, outside the parameters of the reinforcement. For example, the pole failure is usually the result of undetected rot in the wood in the location where the stake attaches and splits in the timber. TasNetworks advises that it has recently improved the way it inspects staked poles to better assess the wood at the stake attachment point to address the known failure modes.

Unassisted pole failures undergo an autopsy by an asset inspector and are investigated by a TasNetworks engineer to determine the root cause. This occurs regardless of whether the pole was reinforced or not. The table below shows the outcomes of all complete investigations over the past ten years (2016-2025).

Cause	Number of pole failures
Rot in inspection area (severity of rot not detected during inspection)	49
Basic investigation only – no clear root cause identified*	11
PFA stake split	10
Steel pole corrosion	8
Stay inspection	5
Condemned - defect priority incorrect	5
RFD stake (wood decay)	4
Not in system	3
Inspector process	3
Stay failure	2
Foundation	2
Rot above inspection area	2
Corrosion below inspection area	1
Vehicle	1
Overloaded stake	1
Stay design	1
No stay installed	1
Condemned - overdue	1
Rot below inspection area	1

**TasNetworks endeavours to conduct full investigations for all pole failures. However, due to circumstances such as severe storms, field crews are sometimes unable to capture the full data set required.*

As seen in the table above, the most common failure mode was undetected rot in the inspection area, which TasNetworks advises is largely due to reduced fibre strength (carrot) wood. This is a rot type which is difficult to detect with contemporary inspection methods. However, recently, TasNetworks have implemented upgrades that will allow drill inspections to detect reduced fibre strength, rather than just detecting remaining sound wood. Initial trials and early results suggest the new technology will reduce pole failures as a result of undetected rot.

2. Please explain the \$69.1 m across the forward estimates for Marinus Link Pty Ltd (pg. 187, Budget Paper 1) in the context of Tasmania's 'capped' equity contribution of \$103.5 m.

The Budget, and the inclusion of Marinus Link Pty Ltd (MLPL) equity in Budget Paper 1, falls outside the remit of TasNetworks, as a government business enterprise. However, please see the explanation below, for the Committee to note.

The \$69.1 million amount is an estimate of the value of the state's investment in MLPL and does not represent a flow of equity contributions to MLPL.

Under the Australian Accounting Standards, the valuation of the state's equity investment in MLPL is based on the state's share of MLPL net assets rather than its equity contribution. For that reason, the value of the state's investment will not be the same as its recognised equity.

At 30 June 2025, the state held a 17.7 per cent interest in MLPL net assets. In August 2025, following the positive Final Investment Decision for Marinus Link and the establishment of revised arrangements, the state's equity funding credit of \$103.5 million was fully recognised.

I can confirm that Tasmania will not contribute further equity under the revised arrangements. As additional funding is raised from the other shareholders, Tasmania's equity share will dilute over time.

For the 2026 Budget and Forward Estimates, the valuation remains at the 2025 Preliminary Outcome value of \$69.1 million. Any future adjustment would require an updated estimate of MLPL's net assets and an estimate of any change in the ownership percentage.

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'N' followed by a circular flourish and a long horizontal line extending to the right.

Hon Nick Duigan MLC
Minister for Energy and Renewables

TW CM ref: 25/89119

16 December 2025

Fiona Murphy

Secretary

House of Assembly Government Business Scrutiny Committee
Parliament House
Hobart TAS 7000

Dear Fiona

GBE Scrutiny Committee 2025 Questions on Notice

In response to the Committee's request for further information following TasWater's appearance on Thursday 27 November 2025, I can provide the following responses.

Upper Derwent flow modelling

TasWater has Surety 1 and Surety 5 Water allocation licences from NRE Tas to ensure raw water from the Derwent is available to meet customer demand. The Southeast Irrigation Scheme will not impact our allocations, and we have not undertaken modelling.

As the managers of the state's water licences, NRE Tas can provide more information.

<https://nre.tas.gov.au/water/water-licences/water-allocation-surety-levels>

Trade waste policy engagement to date

No discussions have been had to date with the Tasmanian Government on the proposed reform of the trade waste framework.

The policy has been raised during discussions with NRE Tas about our broader regulatory framework, and we look forward to participating in the recently announced independent evaluation of trade waste regulations.

Yours sincerely



Kevin Young
TasWater Chair

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



Ms Fiona Murphy
Secretary
House of Assembly Government Business Scrutiny Committee

18 DEC 2025

email: Fiona.Murphy@parliament.tas.gov.au

Dear Ms Murphy

Thank you for your letter of 25 November 2025.

Please find attached responses from the Attorney-General and Tasmanian Public Finance Corporation to the Questions on Notice taken on notice 24 November 2025.

Sincerely

A handwritten signature in black ink, appearing to read "Eric Abetz".

Eric Abetz MP
Treasurer
Minister for Macquarie Point Urban Renewal

Deputy Premier
Attorney-General
Minister for Justice, Corrections and Rehabilitation
Minister for Small Business, Trade and Consumer Affairs

Level 10, 15 Murray Street, HOBART TAS 7000

GPO Box 123 HOBART TAS 7001

Phone 03 6165 7678

Email Barnett.correspondence@dpac.tas.gov.au



17 December 2025

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Secretary
House of Assembly Government Business Scrutiny Committee

Dear Secretary,

I refer to your correspondence of 25 November requesting a response to the following questions as a result of the House of Assembly Government Business Scrutiny Committee examination of the Public Trustee on 24 November 2025 and provide the responses below.

1. What is the Government considering implementing from the recommendations of the Tasmanian Law Reform Institutes (TLRI's) recent paper "Safeguarding Against the Abuse of Older Tasmanians"?

The Tasmanian Government welcomes the release, on 18 November 2025, of the TLRI's comprehensive research paper *Safeguarding Against the Abuse of Older Tasmanians*.

Many of the paper's 31 recommendations are relevant to both the Justice and the new Older Tasmanians portfolios.

The relevant Departments will consider the report and provide advice to Ministers as part of the Government's response to the report as a whole.

The Government will also be considering the TLRI's recommendations in the context of the next round of amendments to the Guardianship and Administration system. Work on these important ongoing reforms has been underway in 2025 and will continue through 2026.

2. Is the Government aware of concerns that the *Family Violence Act 2004* does not cover situations where the perpetrator is a child of the victim? (either a minor or adult child). Is the Government considering amendments to the *Family Violence Act 2004* to change this?

The *Family Violence Act 2004* (FV Act) provides that a spouse or person in a significant relationship can apply for a family violence protection order, or be involved in relevant perpetrator behaviour change program, when they commit or experience 'family violence'. These orders may also be made by and protect 'affected children'. (That is children under 18 years of age whose safety, psychological wellbeing or interests are affected by family violence). Furthermore, s15 of the FV Act provides that an affected child may apply for a

family violence order, if the court is satisfied that the child is capable of understanding the nature of the proceedings.

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A marriage or a significant relationship within the meaning of the *Relationships Act 2003* and includes a relationship in which one or both of the parties is between the ages of 16 and 18 and would, but for that fact, be a significant relationship within the meaning of that Act.

The Tasmanian Government acknowledges that violence and abuse can occur across all families and between all family members. Whilst intimate partner violence is addressed under the FV Act, other forms of violence occurring within family environments – such as where the perpetrator is a child of the victim – are currently addressed and support provided under separate legislative frameworks. For example, the *Justices Act 1959* (Justices Act) provides for a framework under which people in a relationship other than that of a spouse or partner can apply for a restraint order to protect them from forms of intra-family violence, not meeting the definition of family violence under the FV Act. Restraint orders provide protections for people who have been subjected to violence, threats to their person or property, or harassment and intimidation. However, it is noted that some people who experience such violence may not wish to seek a criminal justice response.

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The Attorney-General is working with other states and territories to address the issue of elder abuse through the Standing Council of Attorney's General (SCAG). SCAG oversaw the implementation of a range of initiatives under the first 'National Plan to Respond to the Abuse of Older Australians (Elder Abuse) 2019-2023', a high-level policy framework outlining priority areas for action to address elder abuse which, along with its underlying action plans, aims to strengthen and/or implement frameworks to safeguard older people.

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This work at a national level aligns with priorities identified in Tasmania's own 'Lifelong Respect: Tasmania's Strategy to End the Abuse of Older People (Elder Abuse) 2023-2029', and the recently released action plan, 'A Respectful Age-Friendly Island: Older Tasmanians Action Plan 2025-2029'. This Action Plan includes measures to prevent and respond to the abuse of older Tasmanians, while also addressing their broader needs.

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National work through SCAG to improve safeguards against financial abuse arising from the misuse of enduring powers of attorney is also expected to be included in this next round of amendments.

These amendments will build on the two earlier tranches of reforms to the *Guardianship and Administration Act 1995* that promote a human rights approach to decision-making for Tasmanians with impaired decision-making ability to be supported to make, participate in and implement decisions that affect their lives. The reforms ensure that any decision taken by a guardian or administrator must not only reflect the person's will and preference but also promote their personal and social wellbeing.

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The Department of Treasury and Finance will commence negotiations with the Public Trustee in January 2026 to ensure the next Community Service Obligation (CSO) is ready and signed by all parties before the current CSO expires at the end of June 2026.

Thank you for writing to me about these important matters. I hope this information is of assistance.

Yours sincerely

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Hon Guy Barnett MP
Deputy Premier
Attorney-General
Minister for Justice, Corrections and Rehabilitation
Minister for Small Business, Trade and Consumer Affairs



Tasmanian Public Finance Corporation

Level 7, 1 Franklin Wharf, Hobart Tasmania 7000

GPO Box 1207 Hobart Tasmania 7001

Phone (03) 8396 1200 Intl 61 3 8396 1200

2/12/2025

Ms Fiona Murphy
Secretary
House of Assembly
Government Business Scrutiny Committee
Parliament House
Hobart, TAS, 7000

Dear Secretary

Additional Information Sought

I refer to your letter to Hon Minister Abetz MP dated 25 November 2025 including the following request for information from TASCORP: *Can you provide a breakdown of forecast client advances at the end of the forecast period?*

As indicated in our verbal response to the Committee on this topic, TASCORP is able to provide this information at sector level, having regard to the commercial interests of TASCORP and its clients.

Please find the forecasts by sector below:

	2025-26	2026-27	2027-28	2025-29
Client Sector	\$m	\$m	\$m	\$m
General Government Sector	8,200	9,923	10,966	11,734
Statutory Authorities	637	793	889	1,238
Government Businesses	4,608	5,115	5,282	5,410
Other	1,385	1,525	1,782	1,962
	14,830	17,356	18,919	20,344

The above categories are comprised as follows:

Sector	Entity Types
General Government Sector	Department of Treasury and Finance Tasmanian Development and Resources
Statutory Authorities	Homes Tasmania Macquarie Point Development Corporation
Government Businesses	Government Business Enterprises State Owned Companies
Other	Tasmanian Water and Sewerage Corporation Councils Local Government Authorities

We trust that this addresses your request. TASCORP would be happy to provide additional clarity if required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gary Swain', written over a faint horizontal line.

Gary Swain
Chair

8 December 2025

Hon Kerry Vincent MLC
Minister for Infrastructure and Transport
Level 10, 15 Murray Street
HOBART TAS 7000

Dear Minister

Questions on Notice - House of Assembly Government Businesses Scrutiny Committee

Please find below and attached information in response to questions on notice from the House of Assembly Government Businesses Scrutiny Committee for TT-Line Company Pty Ltd.

No.	Question	Response
1	Can you provide details of where TT-Line are sourcing fuel for the Spirit vessels i.e. is there any likelihood that it comes originally from Russia? Is fuel bought through a 3rd country, if not directly from Russia?	Please see Attachment A, which is a letter from TT-Line's fuel supplier, Viva Energy Australia.
2	What is the timeframe for installation of the gantry? Please provide a date.	Currently scheduled to begin in the second half of March, with a 4-month program for installation.
3	What is the timeline for TT-Line to meet requirements for carbon emission reduction? What amount of carbon emissions does TT-Line need to reduce by?	The International Maritime Organisation's (IMO's) proposed Net Zero by 2050 Framework (NZF), which aims to reduce international shipping emissions, was supported in principle in April 2025. However, during the October 2025 committee session, implementation was deferred until 2026 to allow for further submissions. Currently, there is no requirement for TT-Line to meet international carbon reduction standards. If the NZF is adopted, vessel owners who cannot meet emissions targets will need to purchase "remedial units" from the IMO Net Zero Fund or face penalties. The framework also proposes progressively lower emissions thresholds over the next decade. TT-Line will address the NZF requirements upon their finalisation.

4	Please provide details of the work carried out by consultants under \$50k and how many of these relate to Berth 3 work?	<p>Of the \$693K in consultants engaged for under \$50K, around \$158K (23%) relates to Berth 3 work.</p> <p>See Attachment B for additional details.</p>
5	What steps were taken to manage potential conflicts of interest in the procurement process in the previous term, specifically with Liferaft Systems Australia, which was owned by the CEO at that time, Mike Granger?	<p>Mike Grainger was Chair of the Board, not the CEO, during the relevant period.</p> <p>RMC, not TT-Line, managed the tender process for the Marine Evacuation Slide (MES) system. Negotiations occurred between RMC and LSA's European office rather than its Australian headquarters.</p> <p>Michael Grainger declared his interest in LSA during Board meetings. Board minutes from 16 July 2020 note that LSA was in negotiations with RMC alongside other suppliers. Minutes from 15 July 2021 record that LSA had become the preferred supplier and was granted the contract by RMC.</p> <p>TT-Line engaged Harvey Gibson of WLF as probity advisor for the vessel replacement program. Mr Gibson reviewed the overall procurement plan and advised that the process was open, consistent with commercial practices, and aligned with the Tasmanian Government Procurement Better Practice Guidelines, including probity principles.</p> <p>Michael Grainger's related party declaration for 2022–23 confirmed he was not personally involved in negotiations and referenced the probity advisor's review.</p> <p>The then-Board considered the negotiations and arrangements sufficiently arm's length and did not identify a conflict of interest requiring further action.</p>
6	Please provide details of crew and staff employed by TT-Line based in: a. Tasmania; and b. the mainland.	<p>Below is the location breakdown of the TT-Line staff:</p> <p>Tasmania: 381 Interstate: 275</p>
7	What is the reduction in carbon emissions expected from using LNG in the dual-fuel systems?	Using LNG is expected to reduce carbon emissions by up to 18% compared to Marine Gas Oil (MGO).
8	Please provide an update on road works in partnership with TasPorts, Devonport City Council, and State Growth required for traffic flow on/off the new ships and ancillary activities onsite, with details on: a. budget;	The design and planning for traffic flow on and off the new vessels has been managed by TT-Line in collaboration with Devonport City Council and Department for State Growth (DSG) through the East

	<p>b. timeframe for commencement and completion; and c. timeframe for tender for works.</p>	<p>Devonport Traffic Network Working group, chaired by DSG.</p> <p>All agreed road works to the new Terminal 3 site are underway and being carried out by the main contractor, BMD, and their subcontractors under the existing contract between BMD and TT-Line. All road works will be completed by the proposed date for the commencement of operations.</p> <p>All costs for these works are covered under the existing BMD contract; however, they are not separately identified within BMD's overall price for the works.</p>
9	<p>Do log trucks or other freight get preferential treatment, resulting in tourists being unable to book?</p>	<p>No, TT-Line does not give preferential treatment to freight over passengers. Passenger bookings are prioritised during peak periods like Christmas and New Year to ensure availability.</p> <p>TT-Line did not transport any log trucks during FY25.</p>

Should you require any further information or wish to discuss alternative options, please do not hesitate to contact me.

Yours sincerely



Ken Kanofski
Chair

4 December 2025

Chris Carbone
TT-Line Company Pty Ltd
Spirit of Tasmania Terminal
The Esplanade, East Devonport
Devonport TAS 7310

Dear Chris,

Russian-origin products

I confirm that Viva Energy Australia Pty Ltd complies with all applicable sanctions imposed by the Australian Government regarding the purchase of Russian-origin products, and accordingly does not purchase crude oil or refined petroleum products which have been extracted or manufactured / refined in Russia.

As part of our governance and risk functions, we continually monitor any changes / updates to these sanctions regulations to ensure we remain compliant at all times.

Should you require more information regarding this matter, please feel free to contact me at any time.

Yours sincerely



Richard Xin

**General Manager
Specialities, Marine & Defence**

Attachment B**2024-25 Consultancy costs incurred less than \$50,000 (excluding GST)****Berth 3 consultancy costs (<\$50,000)**

Consultant	Amount
SCHERZIC PTY LTD	\$47,756
TASMANIAN DRILLING SERVICES	\$45,791
PDA SURVEYORS, ENGINEERS & PLANNERS	\$16,353
METRICS GROUP PTY LTD	\$11,700
OUTCOMEX PTY LTD	\$7,386
GEOINVENTIONS CONSULTING SERVICE PTY LTD	\$6,840
ALL URBAN PLANNING PTY LTD	\$5,019
PITT & SHERRY (OPERATIONS) PTY LTD	\$4,280
ENVIRONMENTAL SERVICE AND DESIGN	\$3,355
Subtotal	\$148,479
Other	\$10,052
Total	\$158,531

Non-Berth 3 consultancy costs (<\$50,000)

Consultant	Amount
DANNY MCCARTHY	\$43,670
METIZOFT ASIA PTE LTD	\$36,829
EDGE ENVIRONMENT PTY LTD	\$34,650
WATERMARK SEARCH INTERNATIONAL P/L	\$33,650
FIGURA	\$32,412
INTERNATIONAL SOS (ANZ) PTY LTD	\$31,000
BDA MARKETING PLANNING	\$27,500
CATHERINE DIXON CONSULTING	\$27,458
PAGE SEAGER PTY LTD	\$23,869
TRISKELE LABS	\$23,310
FORTYTWO24 PTY LTD	\$20,550
KPMG FINANCIAL ADVISORY (AUSTRALIA) PTY LTD	\$16,560
NORTHWEST COUNSELLING SERVICE TASMANIA	\$15,865
SALTED STONE APAC PTY LTD	\$15,000
MY LOCAL FOODIE PTY LTD	\$12,000
OUTCOMEX PTY LTD	\$11,968
VINIFIED	\$11,682
ABLEMANS LCS OY	\$10,683
MERCER CONSULTING (AUSTRALIA) PTY LTD	\$10,160
Subtotal	\$438,816
Other consultancies (<\$10,000)	\$97,768
TOTAL	\$536,584

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



Ms Fiona Murphy
Secretary
House of Assembly Government Business Scrutiny Committee

18 DEC 2025

email: Fiona.Murphy@parliament.tas.gov.au

Dear Ms Murphy

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Sincerely

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Eric Abetz MP
Treasurer
Minister for Macquarie Point Urban Renewal

Deputy Premier
Attorney-General
Minister for Justice, Corrections and Rehabilitation
Minister for Small Business, Trade and Consumer Affairs

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Deputy Premier
Attorney-General
Minister for Justice, Corrections and Rehabilitation
Minister for Small Business, Trade and Consumer Affairs



Tasmanian Public Finance Corporation

Level 7, 1 Franklin Wharf, Hobart Tasmania 7000

GPO Box 1207 Hobart Tasmania 7001

Phone (03) 8396 1200 Intl 61 3 8396 1200

2/12/2025

Ms Fiona Murphy
Secretary
House of Assembly
Government Business Scrutiny Committee
Parliament House
Hobart, TAS, 7000

Dear Secretary

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Yours sincerely

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Gary Swain
Chair



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Public Trustee

Monday 24 November 2025

MEMBERS

Ms Helen Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Ms Ella Haddad
Dr Rosalie Woodruff

WITNESSES IN ATTENDANCE

Hon. Eric Abetz MP, Acting Attorney-General

Therese Taylor
Chair, Public Trustee

Todd Kennedy
CEO, Public Trustee

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Public Trustee

CHAIR - The time being just after 10 o'clock, scrutiny of the Public Trustee will now begin. I welcome the Treasurer, and Chair, CEO, along with others at the table. The time for scrutiny is two hours. Any time for a break can't be made up, so I just ask whether you want a break, or are you happy to crash through?

Dr WOODRUFF - So far, so good. We reserve the right to change our mind if we need to.

CHAIR - If I can be heard, thank you. Members would be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or the chair of the board, and the questions handed in writing to the Secretary.

I invite the minister to introduce any persons at the table, including names and positions. I also invite you, minister, to make an opening statement. Thank you.

Mr ABETZ - Thank you, Chair. On my left, Therese Taylor, the Chair of the Board, and on my right, Todd Kennedy, the CEO of the Public Trustee. I have been provided with a detailed opening statement, which I won't read, Chair. Suffice to say that in my role as a local member, it would be fair to say that issues relating to the Public Trustee have well and truly fallen off the radar. I think that is indicative of a significant change of approach having being undertaken after a few reviews and considerations. I'll leave it at that, Chair, and over to questions.

Ms HADDAD - Thank you, Treasurer. I agree that we've come a long way in the last few years. I do have questions about that, but I want to start my questions to you.

In September 2024, just over a year ago, during this budget Estimates session, Guy Barnett revealed plans to privatise parts of the Public Trustee and outsource some of their operations to the private sector, including commercial wills and estates and trustee services. It's fair to say that was a big shock to the community, to members of the public who use the services of the Public Trustee. It's my understanding that even staff and board members found out through the media, which is pretty poor, in my view, actions of government. Also, I note it wasn't one of Damian Bugg's recommendations when he did his very exhaustive review.

In June this year, the Premier walked back that commitment ahead of an election. How solid is that commitment? How much guarantee can you give the Public Trustee, and the public, that the government won't continue to seek to privatise parts of their services?

Mr ABETZ - Thank you. Chair, I should have also indicated I'm sitting here, of course, deputising for the Attorney-General.

Ms HADDAD - Yes, I understand. You are also a shareholder minister, though.

Mr ABETZ - I am currently the acting Attorney-General, given that the Attorney-General is on a trade mission out of the country. That should come on the record as well, which I should have mentioned in the opening statement.

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That said, the government's position has been made clear, and with the legislation that has passed through both Houses now, that is locked in by legislation.

Ms HADDAD - It's only partly locked in, Treasurer, with respect, because it provides that there needs to be a two-thirds majority to privatise any government-owned business. I would like to push you a little further, and I recognise that you're standing in for the Attorney-General, but you're also a shareholder minister. What guarantees can you give the public - recognising the very important role the Public Trustee has in safeguarding the rights of vulnerable Tasmanians - that there won't be a future attempt to privatise any of their services?

Mr ABETZ - The government's made its position very clear and then backed that in with legislation. If you can reasonably foresee parliament in either House having two-thirds majority for such an activity or venture, good luck. I don't think that's on the horizon for quite some time. I'm not exercising my mind about that, but yes, it's locked in.

Ms HADDAD - Okay. Before that announcement was made, are you aware of any modelling the government might have done, any costs that might have been incurred, in preparing any proposal for privatisation of parts of the Public Trustee?

Mr ABETZ - That I don't know. At that time, I was neither a shareholder minister nor the Attorney-General, so I don't know it - as I understand it, no. If there's further information that needs to be provided, I will put that on notice.

Ms HADDAD - Do you want me to put that formally on notice, at today's hearing?

Mr ABETZ - I don't think that's necessary at the moment.

Dr WOODRUFF - Through you, minister. To the Chair and CEO, I want to say that the report, in the annual report, is a really outstanding change on many of the measures of the Public Trustee from the previous years. It's been a big process of transformation that you've been undergoing. In that process, the Guardianship and Administration Bill passed through parliament in, I think, August or November 2023. It required some significant changes to the law to protect vulnerable people and to mandate changes that will affect the work that you do.

I have a series of questions, but could we start with what your response to that legislation was internally? How did you assess the changes that the Public Trustee needed to make in response to that legislation? Then can you walk through the responses that you made? This might be more than one question. How did you assess the responses initially?

Ms TAYLOR - Thanks for the question. I agree, the changes to the *Guardianship and Administration Act 1995* were quite substantial. I can answer from the board's point of view about how we approached it, and maybe the CEO can add some colour.

The greatest change was from substitute decision-making to supported decision-making. The amendments came on the back of the independent review into the Public Trustee. It was wholesale changes that we knew that the Public Trustee wasn't meeting community and client expectations at all. We really have gone through, to be honest, unprecedented organisational changes. What we did was look at best practice in other public trustees - the culture needed to change, the attitudes to clients needed to change. What we did was put the client at the centre of everything we did, and brought in a client-centric framework. We brought in experts to help

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us formulate and develop that framework. We worked with stakeholders. We formed a stakeholder reference group, and every change we made to policy or procedure and - I think this is one of our critical success factors - we ran past those stakeholders, to ensure that the changes were relevant, timely and fit for purpose. That was hugely successful.

We also brought in a culture expert and embedded them in the organisation. I also put that down as one of our success factors. We stripped the culture back and rebuilt a purposeful culture that put the client at that centre. We reduced caseloads from 150 to 50, which is quite significant. In line with that, in terms of fulfilling our obligations against that legislation, we're able to ensure that the will and preference of those clients is met by the decisions we make jointly with that client through the Public Trustee.

Dr WOODRUFF - Thank you. There's a lot to dig into there, and I will come back to elements.

Ms TAYLOR - It was three years' work, Dr Woodruff.

Dr WOODRUFF - That's right. In relation to the caseloads, the drop from 150 to 50 is obviously critical to enable the work of the Public Trustee to be done in a way that meets requirements of the act, to make sure people's will and preferences are heard and made central. However, they're the so-called efficiencies that governments often like to push for changes on. Are you confident that you have the support of the government or, to you, minister, do you give the support that the Public Trustee needs to maintain the caseloads that are required to fulfil the act and to make sure that people can be properly serviced?

Mr ABETZ - We, as a government, are always determined to ensure that the best possible service delivery, within certain parameters, is delivered to the Tasmanian community. The Public Trustee is no different in that regard, and with all these changes -

Ms TAYLOR - A dividend of \$268,000.

Mr ABETZ - Yes, and so, what we had from the Public Trustee was this new approach whilst also being able to deliver albeit a modest dividend to government, which I think indicates that the balance is pretty right.

Dr WOODRUFF - Is that required in order to get your government's support, after maintaining the case load that obviously Ms Henning has said is required to actually meet the will and preferences of people that they -

Mr ABETZ - No.

Dr WOODRUFF - You've put a few caveats into that.

Mr ABETZ - There are different elements of the work of the Public Trustee, and overall, that is what the Public Trustee has been able to provide - namely a much better service delivery model. As I said in my opening comment, the phone has gone quiet in relation to these matters, which is a great reflection on that which has been done and, I think, underpinned by the change in legislation. They've also been able to basically run on a break-even basis. I think that's a good outcome all around.

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Ms JOHNSTON - To you, Treasurer, and also to the Chair, the Public Trustee is reliant on funding received by the government to perform its Community Service Obligation (CSO) functions. Has the Public Trustee, or the government, modelled whether the current CSO funding levels will remain adequate, given demand and increase in service-level expectations over the next four-years? Maybe the government and then whether PT has modelled that?

Mr KENNEDY - Thank you for the question. We regularly, on a quarterly basis, engage with Treasury around a number of matters that we are supporting people with in the community, what the net avoidable cost is for the organisation. That gives us a regular temperature check, if you like, for what the resourcing requirements are. From my point of view, we made significant changes to our resourcing, and we introduced that 12 months before the legislation came into effect.

We've now had two years in that new environment to test our model. We're feeling very confident that the resourcing we have in place at the moment - which is fully funded through the CSO agreement - is sufficient for what we need in the foreseeable

Ms JOHNSTON - You haven't requested an escalation in funding to meet demand over the forward four years?

Mr KENNEDY - There's already built in an increase to allow for demand. We have some changes that we're introducing which will have a positive impact on our clients that we support when it comes to the fees that they pay. The existing CSO funding envelope covers that so yes, again, comfortable with the current arrangement and through the forward Estimates as well.

Ms JOHNSTON - I assume that's built into the forward Estimates for the Budget, that escalation?

Mr ABETZ - Yes, it is.

Mr VERMEY - I understand that Public Trustee has recorded positive results from its client surveys during 2024-25. What were the results of the client satisfaction surveys during 2024-25.

Mr KENNEDY - For now, what I'm really proud of is for three consecutive years we've had really strong results. We made a lot of changes three years ago, but then it was about embedding those changes and for two years in a row we've had 81 per cent overall satisfaction for represented persons.

It's an independent survey that's conducted through myriad research. It's reliable to a 95 per cent statistical confidence. There's around 35 indicators that our clients provide us feedback as well as their support network. We're very confident, but probably the most key indicator that I'm proud of is that 89 per cent of represented persons indicated that their client account manager treated them with respect.

Ms HADDAD - I also want to recognise that significant transformation. It's really all of us as local members. What the Treasurer said in his opening comments is quite true. That scale of complaints has really dropped away, and I leapt into my questions before, but I should have stopped to recognise that significant body of work that has happened within the organisation,

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that has led to a significant change in practise and a significant improvement in experience as a client.

My question goes a little to similar ground to Ms Johnston's questions. Recognising the reason for that, Treasurer, is the significant work that's gone on in the Public Trustee to respond to the recommendations of Damian Bugg's review, which was damning. I won't go back over old ground, but we all know how serious those recommendations were and how necessary it was for them to be implemented. If anything, it's actually happened at quite a significant pace that we've seen this amount of change in three years, but the ability for the organisation to deliver that change does rely on support from government, including the CSO funding.

In response to Ms Johnston's question, we heard that there's that added staff resourcing that is reliant on that CSO funding as is, correct me if I'm wrong, but also the review of fees charged to clients is also reliant on that CSO funding.

Treasurer, my question to you is: What guarantees can you give that that CSO funding won't be cut and that it will be increased overtime? The CEO mentioned that there's a built-in increase in the forward Estimates, but what guarantees can you give that those funds won't be decreased?

Mr ABETZ - The Budget is the Budget, and each budget is a new budget, but an indication of the government's attitude is shown to you in the forward Estimates.

Ms HADDAD - Treasurer, the Public Trustee is responsible for maintaining a significant amount of funds on behalf of Tasmanians. You talked about the dividend paid back to government. Can you guarantee that you won't increase that dividend that the trustee is required to return to government or the percentage?

Mr ABETZ - Government business enterprises have a dividend policy and we don't foreshadow any change to that.

Ms HADDAD - Okay. I'd also make note of the fact that during the election your government announced plans to build a state-owned insurer. I won't go into the details of all that now and whether or not I believe it's deliverable and what the government's done in terms of modelling to deliver on that election commitment. I do want to seek a guarantee from you today that there won't be any anticipated reliance on any of the funds that the Public Trustee holds on behalf of Tasmanians to potentially dip into those in any way to fund any potential state-owned insurer product that your government delivers.

Mr ABETZ - If I wanted to, I could say thanks for the idea, but I won't.

Ms HADDAD - Let's rule it out here and now, Treasurer. How about that?

Mr ABETZ - No, that has not been part of our thinking.

Dr WOODRUFF - I want to return to the caseloads. Can you outline for the committee the experience of changing the caseloads from 150 per staff member to 50? Can you outline the experience that you've heard for your staff and then the experience that it has been like for people who have been clients who are receiving services?

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Ms TAYLOR - Probably the CEO is closer to that.

Mr KENNEDY - In relation to staff engagement, that's continued to improve since we significantly reduced the resourcing. Our staff engagement for the prior financial year was 91 per cent, and 95 per cent of staff indicated that they are proud to work at the Public Trustee, which is a big shift from four years ago.

Dr WOODRUFF - Could you tell us the figures roughly?

Mr KENNEDY - Around 60 per cent approximately, so a significant increase. Supported decision-making is really about having the time to get to know the person, their will and their preferences, and building a trusted relationship. To do that, we needed to have staff around the state where our clients are located and for them to have the time to actually work with people and build that relationship.

That's been central to the changes that we've made. The funding that we have received from government has enabled us to do that. The feedback from clients, as I said before, for three years is really heartwarming, especially when you read the verbatim comments that clients share when they talk about the relationship that they have with their client account manager.

One example I would give is that it's not always the case that when a client requests something that we're able to fulfil it, but what was really pleasing was that a high percentage reported that if that was the case, it was explained to them in a manner that they could understand and they always felt that they could question the client account manager or ask for that to be reviewed.

Dr WOODRUFF - Thank you.

Mr ABETZ - Can I quickly ask a Dorothy, just to make that point, will client satisfaction levels were at what level?

Mr KENNEDY - Will client satisfaction levels were at 100 per cent.

Mr ABETZ - Going to your point about beneficiary satisfaction levels where there may have been interaction at 98 per cent. We're making the CEO's point very well.

Dr WOODRUFF - Thank you, minister and Treasurer. I'm really pleased to hear you hear those. That is outstanding. There is no other business I could think of that would have that response. That is extraordinary.

The second part of that question is what difference has it made to staff? You said it's gone up to 91 per cent of staff engagement and 95 per cent satisfaction, in terms of the workplace conditions for staff, like taking stress leave and sick leave. Have you any other information about those changes?

Mr KENNEDY - Our retention has improved significantly over three years now. Turnovers reduced down to just over 20 per cent, and it was between 40 per cent and 50 per cent three years ago. That's really important, not just for our culture and our people, but also for clients because they get continuity with the person that's supporting them. We've invested

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significantly, which was one of the recommendations in Damian Bugg's review around training. There's extensive training that we provide for our people. We've also put in place initiatives such as professional supervision, as well as on-site EAP. There's a lot of support in place because it is a challenging role for our people when it comes to other -

Mr ABETZ - What is EAP?

Mr KENNEDY - Employee Assistance Program. Our staff have embraced that. Also when it comes to say, grievances, there were no internal grievances for the financial year. Worker's compensation claims remain really low again. Over the whole three-year period, I think we had four claims and three cases over the year, all of those except -

Dr WOODRUFF - Extraordinary in the sort of work that you're doing.

Ms TAYLOR - The board was very conscious of the psychosocial risks to staff with this new way of working because, of course, some of the clients are challenging in terms of their life experiences and their experiences with the Public Trustee formerly. In terms of having onsite EAP services and the professional supervision, it's really changed the risk profile around our staffing cohort. That in turn, of course, increases the service back to clients with that professional development that's happening, of course, with client account managers so that we can maximise that interaction with clients.

Ms JOHNSTON - It was also remiss of me not to congratulate you like my other colleagues have done.

CHAIR - We just leaped right in.

Ms JOHNSTON - We just leaped right into the questions. Certainly a significant change and I know the constituents you've dealt with on my behalf are really grateful for the things that you've done and the changes you've made. So thank you for that. Change obviously comes at significant pace and trying to keep up with technology around that too, to try to ensure that you're making those beneficial changes.

Both the Chair and the CEO noted in their statement in the annual report that after a period of significant reforms and increased positive client experience, that you will know about, that Public Trustee remains committed to continuous improvement. As the organisation moves to a new phase, modernising legacy information-management systems is an essential next step and priority for the board. This will enable the organisation to further refine its operations and improve efficiencies, guaranteeing client service delivery into the future. I don't know how you get better than 100 per cent but we will see.

My question is, does the Public Trustee have an estimated cost on the modernisation of the legacy information-management systems, and has government committed to funding the capital for that? Obviously we want to continue to see you improving.

Mr KENNEDY - At the beginning of the year we did a scan in the market as to what's available for replacements for our legacy systems, which gave us a lot of confidence. We went to the board with a business plan in June, which was approved. At the moment we're doing the specifications, and we aim to go out to the market early in the new year. When it comes to funding the project itself, the capital will come from our balance sheet, so there's no need to go

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to government for any additional funds. Also, it's a software-as-a-service solution. On an ongoing basis, the extra cost from an operating point of view comes out of our existing profit and loss and fits within our existing CSO funding envelope. We're very confident that we will be able to deliver without needing additional funds.

Mr VERMEY - With the great improvements going forward and staff confidence, et cetera, how are things being delivered, the education awareness program to help Tasmanians know about the services and how it's provided, et cetera?

Ms TAYLOR - We are very conscious of the fact that we need to lift our profile in terms of community education around wills, et cetera, and what the actual functions of the Public Trustee are. I think a lot of people are still confused. We know that's one of the areas that the board is very conscious of moving into in the next little while.

What we've done over the last couple of years is partner better with other organisations around the state rather than doing it alone. We have a whole range of partnerships and with different stakeholders, whether it's COTA, Palliative Care Tasmania, Terrapin, the TSO, organisations that are out in the community delivering their core services. It makes sense for the Public Trustee to be part of that. There's National Wills Week. We have lifted our profile considerably in terms of community education with that methodology.

Ms HADDAD - I also want to ask some questions about client experience. Before I do, Treasurer, can you let us know whether the government vacancy-control measures apply to GBEs generally and to the Public Trustee?

Mr ABETZ - What we encourage GBEs to do is to run as good a service, as economical and efficient a service as is possible, keeping in mind the service delivery needs of that particular government business enterprise. Any opportunities where they can realistically make savings, we fully encourage and would say to the Tasmanian community that makes exceptionally good sense because then the delivery of services can be provided at a lower cost. The CEO might be able to answer more about staffing levels.

Mr KENNEDY - I guess every GBE, as you would appreciate, is slightly different in its structure. At the Public Trustee, all our staff fall under the *State Service Act*. Since the time that the recruitment freeze came into play, the last check from last Friday said our FTE is currently sitting at just under minus 5 per cent. That's happened without us having an impact on our ability to deliver frontline services. It does apply to us, and it is in our forward planning to make sure that we do our part along with every other organisation.

Mr ABETZ - Through natural attrition.

Mr KENNEDY - Yes, that's right. There's no formal program. It's happened through natural attrition.

Ms HADDAD - You spoke a little bit before when you were answering Dr Woodruff's questions around caseloads reducing, are you confident with your staffing numbers and staffing complement at the moment that you can continue to provide that more active support role to clients?

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Mr KENNEDY - Yes, and knowing that a number of staff might be watching as well, they're not sitting back thinking this is very easy with these caseloads. It is challenging still to work and they're very busy, in particular when you think about we've got a new workforce, so it takes years to build that capability. From my point of view, the most exciting thing, and this came out of the staff survey, is that their systems are so archaic it's holding them back in their ability to do their role. Hopefully, when I'm sitting here this time next year, we will be well advanced and we'll have new systems in place which will bring benefits to our clients as well as our staff.

Ms HADDAD - Great. Are there any big staffing gaps still yet to be resolved in that transformation process that you've gone through?

Mr KENNEDY - No. We've had our staff quota in place for a while now when it comes to the team that provides what we call personal services. About 18 months ago, we started to invest in state administration as part of our business. The only area that we've recently been filling those gaps has been in our legal area, but we now have that complement. We're booked out until March for appointments, so that's good, but we've got a bit of work in catching up to do there.

Dr WOODRUFF - I would like to ask some questions of the Chair or the CEO, whoever is the most appropriate, about the supported decision-making process. There was a supportive decision-making framework developed in 2023, I think. I'm not sure where it's up to and whether that's still the one that's in place. There were conversations we had then about the consultation process, and that was two years ago now. Can you run us through what status does the supported decision-making framework have and whether it's reviewed and how it's used?

Mr KENNEDY - I'm happy to talk to it. One of the best things we did was launch our new supported decision-making framework 12 months before the legislation came in. That gave everyone time to make that shift. That was really the turning point where clients started to come back and say, this is exactly how we want to be treated. After we introduced it and then the legislation came into play, it was about testing it and seeing how effective it was. We did a review during the year as well, and we do that in conjunction with our client reference group.

I should also say that over the journey, we have regular workshops individually or in small groups with our clients as well, so we're continually getting feedback as to whether it's working. From my point of view, we've done a really good job in making the shift and the change in legislation is having the desired impact that it's designed to do for the people we support.

Dr WOODRUFF - That sounds really good. The stakeholder reference group is still in place - you still have a stakeholder reference group?

Mr KENNEDY - Yes.

Dr WOODRUFF - One of the groups of people - maybe you could tell me how many people with lived experience are on that group, and how you consult with people or gather the experiences of people who are on orders, whether they're on the stakeholder reference group or through the stakeholder consultation workshops?

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Mr KENNEDY - It's a challenging space. Initially, when we set up our reference group, we had everyone at the table. However, the feedback that I got from people was that you really need to create a safe space for the people who we support. We got really good advice from Health Consumers Tasmania that you're better off going out to clients in their own homes or where they're residing and conducting the feedback where they're comfortable.

That's what we've done, and we've also done it with independent people to the Public Trustee. We do that at regular intervals when we're designing or reviewing pieces of work that we've done, in particular the supported decision-making framework. Then we survey our clients as well, which is another opportunity for them to have a voice. We survey the support network that work with them every day. So a combination of those is how we get the voice of our client through.

We have two clients on our stakeholder reference group. They're not clients who are represented persons, but they do have experience supporting people.

Dr WOODRUFF - They've been previous clients or -

Mr KENNEDY - They are currently clients of the Public Trustee, but they're not represented persons. They might be a will-client or power of attorney-client or somebody who has assisted people who has been under an order previously.

Ms JOHNSTON - Following on from Dr Woodruff's questions about the supported decision-making framework -

Mr KENNEDY - Sorry to interrupt.

Mr ABETZ - I was suggesting to Mr Kennedy, he might like to add to the answers as to how things have changed at the Public Trustee. They used to have security at the door. That is no longer so, and I think that is a huge improvement that should be on the public record. That's why I was whispering to Mr Kennedy.

Mr KENNEDY - I was going to say, we've opened our doors. We're regularly going out, visiting our clients and welcome them into our sites around Tasmania. We get regular feedback every day, if things aren't where they need to be.

Dr WOODRUFF - You can't have a better example of something that's working well than that shift, can you, really?

Ms TAYLOR - Yes, we've changed the whole risk profile.

Mr ABETZ - That is why I wanted that on the record.

Ms JOHNSTON - I appreciate that, Treasurer. It is definitely worth putting on the public record.

Leading on from Dr Woodruff's questions on the supported decision-making framework and leading in this particular space, have you been asked to share your learnings with other organisations? In the healthcare setting, voluntary assisted dying? Have you been asked to share that knowledge and experience, and how you're leading?

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Mr KENNEDY - At a national level, I've had the opportunity, which we do every year, to meet with other public trustees, advocates and guardians around the country. The national conference is coming up next year and we are one of the speakers.

Victoria is really the only other jurisdiction that has the legislation in place around supported decision-making, so I'm really proud of where Tasmania's at. I think we're at the forefront, in particular with the model that we developed which, I might add, was also done in close consultation with our clients.

Ms TAYLOR - Also, I've been asked by different groups to talk to the culture changes within the Public Trustee, particularly. The consultant who assisted us with that culture change with staff and for clients has written an article that was published in an HR magazine. I agree with you. To share good learnings is a great thing, especially in a small state where we know each other and we can learn from each other.

Dr WOODRUFF - And change for the better.

Ms TAYLOR - Yes.

Ms JOHNSTON - In your annual report, you acknowledge that significant progress has been made around the Office of the Tasmanian Economic Regulator (OTTER) review, the recommendations. I think 12 of the 18 have been completed, with the remaining six in progress. Are there any barriers to achieving those that you're aware of. Not necessarily cost barriers, but maybe resourcing, or IT barriers -

Ms TAYLOR - You just mentioned one of the barriers. Maybe the CEO could -

Mr ABETZ - I think there's been more improvement than those figures.

Mr KENNEDY - There has, yes.

Ms JOHNSTON - Excellent.

Mr KENNEDY - There's now 15 of the 18 have been done, so a considerable amount of work over the last 18 months. The last three are dependent on us updating our legacy system. For example, one of the client benefits I spoke about before was making improvements to the statement that we produce for clients - the frequency, how easy it is to understand and the disclosure of fees. The new system will enable that.

The second aspect is about having an updated corporate accounting system; we're currently still on MYOB. That will give us a good indication of our costs to serve and our costs as they're allocated around the business, which is very important.

Ms JOHNSTON - Fantastic.

Mr FAIRS - Minister, we've heard some of the discussions so far regarding the implementation of the recommendations of the independent review. Could you please expand on how many recommendations have been implemented and how the implementation of those recommendations have contributed to the improved performance and results please?

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Mr ABETZ - Twenty-seven of the 28.

Mr KENNEDY - So, 27 of the 28 of Damian Bugg's independent review, which was handed down almost four years ago to this date, and we're very close to finalising the last recommendation. We're aiming for it to come into effect on 1 January. It's a really great way to finish because what it will mean is that almost half of the clients that we support through guardianship administration will receive an annual fee saving of approximately \$500 a year. That benefit will go out to clients with between \$0 and \$40,000, aligning with the Northern Territory, which is the most vulnerable cohort that we support.

Mr FAIRS - Thank you.

Ms HADDAD - In your annual report, you have some really positive case studies of experiences that clients have had in the last little while. At least one of them - I might have missed others - talked about the Public Trustee assisting a client to successfully have their order removed or successfully come off an order. Sorry, I should be looking at you, Treasurer. I'm wondering how that happens at an operational level. How often is that something that account managers are able to talk through with their clients, and, if coming off an order is safe and the right thing for that client, how much priority is placed on trying to move towards having orders removed?

Mr KENNEDY - When we introduced our new supported decision-making framework, recognising the important role and duty that we have to build capability for the people we support, we also launched our financial independence pathway and every year we reach out to our clients to seek interest in participation. It's a challenging thing. It's not something that everyone has the capacity to be involved with, but last year we had approximately 175 clients participating in either the formal 12-month financial independence pathway or even other capacity-building initiatives. That can just be taking responsibility for paying some bills or having their own spending and discretion.

The way that it works is that - it's very important that we don't just measure it by the number of clients who come off an order - that was 14 last year, which is fantastic. That's because we don't lose sight of the fact that, for example, if you take age-related illnesses like dementia, which are terminal, they don't get better, they get worse. That doesn't mean we shouldn't encourage our clients to participate in capacity-building because, whilst they may not regain their financial independence, it still has a positive impact on that person.

Ms HADDAD - It's so refreshing to hear you speak about clients in that way. It's such a marked change from GBE estimates, it must have been five years ago, prior to the Bugg review. It's really encouraging to hear you speak about that kind of client autonomy. I wonder, with the shift in the legislation from the 'best interest' test to the 'will and preference' test, which is a significant cultural change, how that has affected the work on the ground in terms of the conversations that account managers have with their clients, and how it's been implemented in terms of how it would feel different for an existing client, or somebody new coming in to your service?

Mr KENNEDY - It really comes back to getting to know your client. We have non-financial KPIs that the government has set for us as part of our statement of corporate intent, which is around regular contact with the people we support. Within five days, in over

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90 per cent of cases, we've met the people that we're looking after. We will meet again at day 20 to work out a budget with them.

Ms HADDAD - Within five days of them coming in?

Mr KENNEDY - Yes. We will actually be at the hearings when they're appointed, which we think is important because it's such a challenging time for the people. Then, on an ongoing basis, we'll have a monthly proactive call and a six-monthly meeting with that client, unless they don't want the frequency, or they prefer it to be more often. It's really about getting to know the person, their will and preference, who are the significant people around them, family and supports, and engaging with all of them.

Dr WOODRUFF - Through you, minister, to the CEO: have you done some modelling - I assume you have; you're in the business of this - but can you talk about the future projections for population growth and need in terms of the development of wills in particular, or all the services? Can you talk about the trajectory, and how you see yourself able to manage with the incomes that you get, and what you see as the concerning things on the horizon for you to deal with? At the moment, you've provided a cost-neutral return - not that that's the metric that the Greens look at the services you provide through, but given there's always pressure in that direction from some in government, how do you see this going and where do you think the concerning points are, and what's your approach to dealing with them?

Mr KENNEDY - Thanks for the question. There's really two parts to it. The one commonality is that we have an ageing population, so there's going to be demand for all our services at the Public Trustee from the Tasmanian community. If I look at wills, 50 per cent of people still pass away without a valid will, so we're playing a key role there along with other legal providers in the community to reduce intestacy.

From a commercial point of view, the work that we do acting as an executor and administering an estate is continuing to grow. This year, it grew by over 25 per cent, so it's important work. That's going to continue to grow. Over the next 15 to 20 years, across the country and outside of Australia is the biggest intergenerational wealth transfer that we've seen. That's because of Baby Boomers: 90 per cent of those assets will be transferred from that generation to the next generation, and they will occur through someone passing away. So, that's one part of our business.

How are we going to grow? I think that's where technology will play an important role. When it comes to the work we do supporting represented persons, the increase of age-related illness like dementia, the low number of people who have powers of attorney in place, there's going to be a significant increase in that space. It's really a bit early to tell, though. At the moment our numbers are pretty stable, but what's probably countering that is that we're seeing a higher number of private appointments for administrators. That's important because the Public Trustee is there to be appointed as a last resort. So, we've got a couple of factors there that are counterbalancing each other. My personal view is that, overall, the ageing population will result in us having an increase.

Dr WOODRUFF - Thank you. We've all been hearing the concerning numbers - I don't remember them over time, but - of people dying intestate. Can you talk about the change over the last 10 years - whether there has been a change, whether it's going down, up, staying stable,

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and what we can do, not just the Public Trustee, as the government, but as anyone to change that direction?

Ms TAYLOR - That's the sort of question, too, that the board has started to ask. Even though we're embedding those very significant changes we've made at the Public Trustee, and you've heard about our IT legacy, so the board's obviously focused on that as well. But also, we're lifting our head up a bit and looking over the horizon because the ACCC has started to talk about the billions of dollars of transfer that's going to happen in the next while. This is very early days, but the board is starting to think about how we can lower that 50 per cent adult intestacy, and maybe next year around this table we can get back to you with some strategies. However, what we are thinking about is, are there different doorways that young adults walk through, whether it's through education or this or that, and a will kit comes with that, or this is very high level conversation but we need to start thinking about the legacy in Tasmania and what ends up happening with the number of people dying without a will.

Dr WOODRUFF - A part of that is the role of aged care facilities where many people pass through.

Ms TAYLOR - Yes, and when I talked before about our partnerships and relationships, we have with a number of organisations, for example, only last week or the week before, I was in an aged care home with the TSO. The Public Trustee funded a concert and so we're there delivering our message, but it's wrapped up in a beautiful morning tea concert. Those are the sorts of things that we are moving towards, the board putting its concentration towards now. There are so many areas, I agree, that we need to look at now about where are the gaps, how could we actually get people to understand that this is a massive issue.

CHAIR - Ms Johnston.

Ms JOHNSTON - It's getting to a point where I'm asking Dorothy Dixers. It's so nice to be in a GBE hearing where there aren't fires, people who put the fires out, and actually building on something really wonderful. Just to build on Dr Woodruff's questions around intestacy and the worrying figures around that, I note in your annual report the number of total new wills completed was 590 and the target was 900. I suppose that goes to the issues we were just talking about.

Do you collect data around your community engagement and community education programs - you listed quite a number of them here in the annual report, about how many direct contacts or referrals you get from those community engagement activities or community education activities? When you go out to the nursing home, for instance, do you track data on how many people will pick up the phone and say, 'We haven't got a will, perhaps it might be time to find the Public Trustee'?

Mr KENNEDY - We do measure and get feedback from all the information sessions that we run. We always ask clients how they heard about our services. So I'd say yes. I don't have any figures, though, that I can quote today. But yes, we set ambitious targets because there's such a need in the community. The last two years have been pretty consistent around that 600 mark and that's up over 20 per cent from 2022-23.

To answer the question before as well, for 10 years I've been rolling out this statistic in various places I've worked and it's not just Tasmania, it's around the rest of the country. The

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message really is to plan ahead, get started. It's a lot easier than people think it is. It's going to take a collective effort. It's about accessibility, all of us working together with other providers around the state, but I think as well, the point the chair made is that it's about the next generation as well and educating them.

Ms JOHNSTON - So you're forecasting an increase in community engagement and education? Have you thought about how the funding profile looks for that? They are resource-intensive exercises, but really beneficial exercises in a community. Have you thought about what that might look like in the future?

Ms TAYLOR - As I said, hopefully next year I can expand on your questions around that. The board's been focused on the work we've had to do over the last three years to get to where we are now. It's really important now that we do shift our focus to look at those areas, so I will take that on broad notice.

CHAIR - Ms Haddad.

Ms HADDAD - Thanks Chair. I have some questions about wills as well. The majority of them have been covered. However, I wondered who's eligible to be a wills client, who's eligible to have their will written and managed by the Public Trustee? If there's a lower age limit, if you like, or if it's based on demographic or financial grounds.

Mr KENNEDY - It really comes back to the *Wills Act* in Tasmania. You need to be 18, you need to be of sound mind, and there's also specifications as to how you actually create and execute that document. That rule applies to anyone. It's 18 and above and that's really the criteria. As far as eligibility, we're there to help anyone in the community who needs help. For people who are on an age pension, if they do a will with the Public Trustee and they nominate us as the executor, there's no cost to them.

This is an important point I'd like to make as well that, for the last 10 years this has been the case. When people come to the Public Trustee, they don't have to appoint the Public Trustee as their executor. They get a choice. Last year, for example, around 75 per cent of people who had a will with the Public Trustee nominated someone else, a family member, to be their executor. As I said before, we encourage people to take the step and put the documents in place, whether that's with your family solicitor or the Public Trustee, it's whatever suits that person.

Ms HADDAD - It's true. It's often the case that people don't think about writing a will until they buy a house or have a child, but everybody, like you said, from 18 should really be putting their mind to it.

Mr KENNEDY - Definitely.

Ms HADDAD - What is the fee for people who don't choose the Public Trustee as their executor?

Mr KENNEDY - The fee is the same. If you take, say, someone on a pension, put them to one side, it's \$140.00 for a single person to have a will and \$210.00 for a couple at the Public Trustee. That's whether you appoint the Public Trustee as executor or not.

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Ms HADDAD - Okay. It's only if someone's on an age pension and they choose the Public Trustee as an executor, that fee is waived.

Mr KENNEDY - That's right, but if they wanted to choose their own executor, it would be the \$140 or \$210 for a couple.

Ms HADDAD - I feel like this is a bit of a dumb question, but do you know how that would compare to rates in the private sector? I imagine it would cost a lot more for someone to go and write a will.

Mr KENNEDY - It depends, as I said before, I really feel that it is a collective effort across all providers to actually solve this problem. Solicitors charge on an hourly rate so it can still be affordable. It depends on the complexity.

Mr ABETZ - Some of us used to charge a flat fee, which was less than half of the Public Trustee but that was a few decades ago. I seek to make a comparison.

Ms HADDAD - You're sounding more and more like a socialist every day. I'm getting a bit worried, Eric. State-owned insurers, state-owned stadium.

Mr ABETZ - Compassionate conservative.

Dr WOODRUFF - To the chair or the CEO. When the Guardianship and Administration Amendment Bill went through parliament in 2023, the Greens made an amendment that was supported, which was to add in the right of people to have the dignity to take risks.

It's an important recognition that means that we step out of what has been often in this sector, a traditional sort of paternalistic decision-making view on behalf of other people. As we age - and particularly we all have our different ways of wanting to be in the world as irascible and unreasonable as they might seem to others. The legislation is quite precise in a number of areas. With regard to the promotion of a person's personal and social wellbeing, the meaning is that for the purposes of the act, the wellbeing of a person is promoted by respecting the inherent dignity of the person, and the importance of preserving the dignity of risk of a person with impaired decision-making and the ability of being able to make decisions.

How do you do that? How have you changed your practices? Explicitly, can you talk to how you enact that requirement?

Mr KENNEDY - It's a core part of our supported decision-making framework and it's something that the community, family members still adjusting to because in the past they've probably seen the organisation as the paternalistic gatekeeper that stops them having to be that person for family members. It's very much embedded in the culture, it's in our policies, procedures and in our framework.

How we actually go about it in practice, though, it's important to have safeguards in place, which is really about working with the person, helping them to understand the implications of their decisions, but at the end of the day, respecting that decision.

Also, in the legislation we're only able to override or go against someone's will and preference if it results in serious harm, or if it's against a particular clause in the order, or if it's

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illegal. That means that these decisions, it's really about helping the person understand the implications, but respecting that at the end of the day.

Over the year, there were approximately 6400 decisions that we supported our clients with, and there were zero substitute decisions made for that 12-month period, which means that we did not override a person's will and preference.

Dr WOODRUFF - That's extraordinary. That should definitely be noted for the record. I want to recognise that what you're doing in the Public Trustee in this respect runs counter to the culture that operates everywhere else in government - and it's not just this government. It's all governments in Australia, which they have a setting which is against risk at all costs.

You are required under law, because you're managing a person's life, to step in as a government business but also then you have this we don't want other people to make decisions, we want to be able to make decisions about our own health and life. You're acting in an exquisitely difficult space. I commend you for what you've done in that regard, in terms of that number.

Mr KENNEDY - Could I just recognise the work that the Department of Justice did when the legislation first launched? There were a number of webinars and information sessions that they conducted, which we were part of with the Office of the Public Guardian. That was in the healthcare space, aged care, and that was really talking about a particular case study to highlight the importance of dignity and risk and the change.

Dr WOODRUFF - Thank you, that's great to hear. You are required to prevent serious harm so the dignity of risk, as you say, overrides to it, it has points where you're required to step in if there is serious harm. What does serious harm look like in the Trustee setting? It's different from a guardianship setting. Give me an example of where that might come in and a line might be crossed.

Mr KENNEDY - It's something that is permanent or not reversible. The impact that it has on the person and it has a significant detrimental impact on them. For example, if a client had, say, \$500,000 to their name and they wanted to make a decision that maybe it was going to cost them \$1000, but it wasn't a great decision but it's their dignity of risk, that would not be a reason for us to override their decision.

If what they were doing was going to mean that the majority of their funds would be depleted, that's when we would step in to make a substitute decision. We haven't had an instance where we've needed to do that over the last 12 months.

Mr ABETZ - Because you've been able to talk with the clients to come to a resolution and, I would assume, your experience, et cetera, would have helped guide people to come to a, if I can use the term, reasonable decision.

Mr KENNEDY - Yes, it's very challenging to do that. Just one point when I spoke before, with those 6400 decisions, there were approximately 550 decisions we weren't able to implement, but that was more due to the fact that the client didn't have the available funds at that they were looking to do, which is different to overriding someone's will and preference.

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Ms TAYLOR - Can I just add too, Treasurer? It's interesting. You can't underestimate the relationship that's been built between the client account managers and those clients if you've got 50 or fewer clients, you really are in a one-to-one relationship around how we're going to manage people's lives. We've had quite a few situations now where, for a range of reasons, for people in aged care homes, correspondence from social security wasn't followed up by the home, et cetera. Our client account managers have had the opportunity to do that and have been able to recoup thousands of dollars, for example.

Ms HADDAD - I saw that example in the annual report - that's extraordinary.

Ms TAYLOR - There are quite a few examples in the annual report. In terms of someone making a decision, often it's just built up to that decision and it's a conversation that happens, not so much a 'this is what I want to do' and 'yes, you can' or 'no, that's going to be harmful'. It really is a process.

Dr WOODRUFF - What about a situation where there's a person who maybe has dementia and they have worrying children, and they want to spontaneously, or in quite a different space, give all their money to one person where previously it had been dispersed between the two? That wouldn't be a situation where you would override them, but what would you do in that context?

Mr KENNEDY - In that particular example, there's no provision for gifting in the actual act and, as the administrator, we have to follow what the specific conditions of the order state. What that means is we're not able to gift any money, unless it actually says in the order we're allowed to do so. Obviously, people want to provide gifts, at a reasonable level, for family and celebrations and these sorts of things. The tribunal will actually put a provision for a certain amount in there, with a limit. Or we will proactively suggest that as well. That protective measure is already built into the act and the order to stop those sorts of things happening.

If you change that variable - it is complex when you're dealing with people with dementia. It's about talking to the people around them, understanding what their long-term will and preference is, acknowledging that that can change in the short term, but over the long term, it gives you an indication of what they really would like to do.

Ms JOHNSTON - Going back to the performance indicators - the amazing performance indicators, particularly around those represented persons - you have here, 'Consult with clients where possible to identify participation in financial independence programs', and the actual is 100 per cent, which is amazing. Can you talk me through where it's not possible for people to be engaged in those programs, and what support is offered to those people?

Mr KENNEDY - It could range from someone who - you might not be able to get in contact with them; you might not know where they're living; they might be a homeless person. That's not as a result of being with the Public Trustee, I might add. It could be that the person's health has really deteriorated to the point where they're non-verbal. We do take that into consideration. If family members say, 'Look, it's not appropriate', we recognise that it wouldn't be respectful to sit there and go through the process. We have adjusted that KPI, with support from government, down to a realistic figure - I think it's still 90 - to realise that you just can't do it for some people, but wherever possible, we will.

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In relation to why there's, say, a cohort who don't want to participate in building financial independence, it's for a range of reasons. Some of the clients consider us their personal concierge. They're some of the more humorous examples. On a serious note, it's more to do with all the challenges that our clients have going on in their lives, dealing with mental health issues or addictions. It's really tough for them. This is kind of the last thing on their mind, with what they're dealing with on a day-to-day basis.

Ms JOHNSTON - In regard to the case load - you were talking about the 50-client case load that your case managers have - how do you determine the complexities around that? I mean, 50 is a sheer number. Some might be very simple to manage, others might be incredibly complex or require lots of in-depth research or advocacy. How do you manage that amongst your case managers, and to make sure they're the appropriate - and someone's not burdened with 50 very complex cases?

Mr KENNEDY - We have a mixture. One of the recommendations from the Bugg review was to move away from having a pooled resource model where everyone was working on clients. That brings back the relationship side of things. When clients first start, we obviously don't load them up with complexity. If it requires, say, Centrelink knowledge, it will go with particular team members. But we do make sure we have a mixture, because if you have 50 clients and they're the clients who ring up every day, then you're not going to be able to support those people.

The manager and the team leaders do a great job in allocating those clients, but one thing that's important is that people have access to client account managers in the areas that they live in, because that's very important for them.

Ms HADDAD - Thank you. On that same line of questioning - this is not a reflection on anybody in the organisation - but is there a capacity for people to change account managers, if that becomes necessary?

Mr KENNEDY - Yes, there is, and it happens. Sometimes, like with everyone, you don't get along with the person you're working with, or a family member might request a change, and that's what we accommodate.

Ms HADDAD - In response to Dr Woodruff's earlier question, you talked about the protective element that's built into orders in terms of gifting. I note in the annual report, I believe it was 26 cases where, I think it's the Supreme Court or somebody else, or where the Public Trustee has been appointed in cases of suspected financial misappropriation. Would you be able to expand on that a little in terms of when you're allocated to that role or, alternatively, if it becomes apparent to your account managers that there might be some case of elder abuse or family pressure being put onto a client of the Trustee.

Mr KENNEDY - It's a really important issue. One in six older people are subjected to elder abuse but, in reality, the numbers are a lot higher, because the number-one perpetrator is the adult son, followed by the adult daughter.

Our staff to do a really good job when they're taking calls, when they're looking through statements. They're always on the lookout for those sorts of things. They're very attentive, asking who might be in the background when conversations are happening. When we're generally appointed, though, it's because there's a suspected case of financial misappropriation,

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and it might be that a family member was power of attorney or was suspected of financial misappropriation. That's when we would be appointed and that's when the tribunal would allocate the person for us. That might only be for a 12-month period, to go through, analyse. If it is a case of fraud or elder abuse, something like that that's happening from a personal member to that person, we would refer that to Tasmania Police. So that's not our role.

Ms HADDAD - That makes a lot of sense. Thank you.

It might be a bit of a broader question to you, Treasurer, from a whole-of-government perspective, around elder abuse. What other measures is the government taking to make sure that people are aware of those risks?

One in six is a pretty high number but, as the CEO said, it could be an underreported number in terms of people who are actually experiencing elder abuse or something in that category of experience. What other measures is the government taking to prevent elder abuse and work on it?

Mr ABETZ - In fairness, I'm happy to take that on notice for the minister for Community Services, I would imagine.

That said, in the interim between being in the Senate and in the House of Assembly, I did serve as the foundation chair of the Christian Homes Tasmania. You get some interesting insights, and elder abuse is a genuine issue and needs to be guarded against. So well done to the Public Trustee to be alert to that possibility.

I think, too, many people in the community, and I'm just opining here, Chair, and not to run down the clock, but just from my experience that I think the vast majority of the population are good decent people who wouldn't engage in elder abuse and therefore those that are engaged in providing services, that doesn't even enter their mind. Therefore there's the potential that people act naively with people that actually are engaging in elder abuse and therefore to be alert about it and find out who might be in the background, et cetera, when a phone call is made, I think is very wise and sage advice to the staff and the Public Trustee and I would have thought to the community at large be it bank managers or whoever, when monies are being taken out, but that's enough from me, Chair.

Who does this? Does the secretariat - can they flick questions through to Community Services?

Ms HADDAD - I think I need to write it down.

Dr WOODRUFF - No, there isn't a formal capacity, but you could pass it on to the minister and maybe get a response, I think.

CHAIR - Do you have another question, Ms Haddad?

Mr KENNEDY - I'll just say that Brigid the CEO and the Council on the Ageing do an amazing - which I know every year there's a walk against elder abuse, which many people are here - I know they do that with the support of -

Mr ABETZ - Is that in Health? With minister Archer?

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Mr KENNEDY - No.

CHAIR - Wilkinson.

Ms HADDAD - A different Bridget, Brigid Wilkinson.

Mr ABETZ - I thought I might have been referring something to, the wrong -

Dr WOODRUFF - She does have Ageing as her ministry.

Ms HADDAD - She does now, yes.

Mr KENNEDY - The lifelong respect campaign and the walk against abuse are important events during the year to raise awareness, but also where we get to hear from people with lived experience.

Ms HADDAD - It goes to my last question which was about the partnerships that you have with organisations like COTA and others. You mentioned some of the other partnerships that are newer, since you've been implementing the changes. Just wondering if that's work that's shared work across the sector? Sounds like it is. I think you've covered the answer.

Mr KENNEDY - It is. Our recent stakeholder reference group that we had last week, we had a couple of new members, one was Citizen Advocacy from Launceston on the back of an information session we ran there. Members of the group feel now that it's moved more towards a community of practice, as opposed to working through reforms and changes for the Public Trustee. The collaboration is really healthy. Outside of those meetings, what's also important is that we have people from the Public Trustee who attend - team leader, client account manager, our director of client services, who's here today. There is a number and a name and someone they can pick up the phone to if they need anything so we can get onto it quickly.

Ms TAYLOR - Can I add to that please? The board, because we are a statewide service, meets around the state and it's fantastic to hear the stories of clients in the regions and also see our staff. The night before the board meeting, we always have a stakeholder networking event, so it allows the board to hear first-hand from a whole range of stakeholders in that particular region around the issues that are happening. We're very conscious of keeping those relationships active.

Dr WOODRUFF - On staffing and in the regions, it's always a challenge in Tasmania for services to be delivered as required, particularly the north-west of the state. I couldn't find it in your annual report, I'm sure it's there somewhere: could you please tell us what your staffing structure is in the regions and the breakdown of clients across the regions?

Mr KENNEDY - The client breakdown does vary, but let's say between 15 per cent and 20 per cent in the north-west coast, 15 per cent to 20 per cent in the north, with the remainder in the south and our staffing numbers aligned to that. We have 52 staff in the south, 16 on the north-west coast and 16 in Launceston. The numbers in the south seem a bit higher, but that's where, for example, our finance team and people and culture is housed as well. There's a -

Mr ABETZ - And the CEO.

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Mr KENNEDY - Yes.

Dr WOODRUFF - And almost 60 per cent to 70 per cent of the clients are in the south as well.

Mr KENNEDY - Yes, 60 per cent, a little bit less.

Dr WOODRUFF - That's an impressive distribution of like in terms of parity in relation to clients and that stands in contrast to many other services that are provided. What have you done to recruit and retain people in the north-west for example?

Mr KENNEDY - You don't always get volume when you're recruiting and it's a bit hit and miss, and this is around Tasmania. We have been lucky that we picked up some amazing people in the north-west coast and in the north. What's great is that if I talk to the north-west coast, there's opportunities if you want to work in our estate administration team or to work with represented persons. There's also team leader positions and our director of client services, for example, which is an executive position, is based on the north-west coast. That's important because staff see that they can move into different roles and have a career path.

Dr WOODRUFF - Does that mean a lot of the work is done by phone or remotely so that people might be a team leader for people around the state and based in Burnie or -

Mr KENNEDY - No, they're specifically leading the team in that part of the state. We will have frontline staff in Devonport and we will have a team leader and a manager and those people are going out, clients are coming in, they're going out visiting clients. They're doing it for their respective areas.

Ms TAYLOR - If I could clarify, that was the model at the Public Trustee that it was centralised here and you managed a team around the state. Then, when we started to look at the organisational structure and culture and the clients we wanted to serve, we abandoned that model. The survey results are telling us that staff and clients prefer the model we have now.

Dr WOODRUFF - The centralised model, which appears more efficient from a theoretical point of view, doesn't actually stack up in the real world with people's experiences, which can mean difficulty getting staff recruitment in those regions and retention as well as having the service delivery outcomes which you've been able to achieve. So moving to that model that you have now, are you projecting to have any changes in that? Is there any changed demographics in the way those things are falling over the next five to 10 years?

Mr KENNEDY - If anything, we're now looking to actually work out more, use those bases for further leverage so we can go out for the west coast, for example, get to these parts of Tasmania that we don't -

Dr WOODRUFF - Expand into new frontiers.

Mr KENNEDY - at least have like opportunities, whether we're doing it through local council or Service Tasmania to have accessibility to our services.

Ms TAYLOR - That former model may work for other types of services, but for our particular service, yes, this model is certainly working.

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Dr WOODRUFF - Are you actively down-peddalling phone conversations and prioritising face-to-face conversations because you've got an older demographic? Many people have phone access but, in terms of digital access, it might be pretty hit and miss, not to mention the connectivity issues in remoter parts of the state.

Mr KENNEDY - Our model accommodates for people's preferences. One of the biggest things we did was we reintroduced pool cars into our regions. We employed people in those regions and we have a client visitation program where we're going out and seeing people throughout the year. We've got really good feedback. That's how we can connect with people who can't pick up the phone or don't have access to email. Phone is very high demand as well and some people actually prefer to be able to correspond via email so it's in writing and they refer back to what was discussed as well. We work with the person on what their preference is.

Ms JOHNSTON - I expect I know the answer to this question, but I'm going to ask it anyway. One of the issues we identified last week in Estimates across most departments that deal with frontline services is higher worker's compensation risk with people burning out, with dealing the complexities of the nature of people they're engaging with all the time. How are you seeing the profile of your worker's compensation risk in terms of your staff dealing with very complex issues, particularly in relation to mental health issues and worker's compensation? I know you've got fantastic staff engagement so I'm assuming that means that you've got fantastic support. How have you done that work? It's obviously a learning for other departments and other organisations.

Mr ABETZ - I think Mr Kennedy touched on that earlier.

Mr KENNEDY - So it has been low over the journey. As I said before, there were four claims and three cases and one open at the moment - that person's on a graduated return to work. It does relate to psychological. So managing psychosocial risks in the workplace is huge. We've done a lot as far as supporting our people because we recognise the challenging nature of the work they do. We reach out to our people and we do surveys around what they need to see. Our training is around how they not just look after themselves, but also how they can de-escalate situations. We have professional supervision, which we introduce so I think there's 15 of our staff who regularly talk with a professional. They will debrief on things that have happened, pick up skills and tools around 'how will I deal with that in the future'.

This is in addition to a reactive on-site employee assistance program. Significant training and, yes, we've invested a lot. We've even introduced, which was a wonderful suggestion from Advocacy Tasmania who had that in place, the WorkSafe Guardian app, which is a simple thing on your phone that if you're walking home to your car at night, or you're out on a weekend and you might feel unsafe and run into a client, or at lunchtime, you can shake your phone. It will go back to a provider that then checks in and can send assistance if needed.

So, we're continually listening. When you change your model and you move away from having a security guard at the door and say don't come in, you have to make sure because, you know, incidents do happen so it's really important that you put measures in place to try to minimise any of that harm.

Ms JOHNSTON - My final question may be in jest, but what's your fee for service for other GBEs to do this transformation reform? No need to answer.

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CHAIR - Mr Vermey, do you have a question?

Mr VERMEY - Yes. Testamentary trusts are a good way of distributing and benefits taxation of course, and making sure funds are going to the right people and not being gold diggers, that type of thing coming on. Does Public Trustee go into that at all, or is it just the standard will?

Mr KENNEDY - We have approximately 400 trusts that we administer on an ongoing basis, and a number of those have come testamentary. The most common one is minors' trusts, sadly, when parents pass away. When it comes to the work that we're doing writing wills, we tend to try to offer more simplified services for what the more common person in Tasmania requires. We do get requests for testamentary trusts, but I think that the more complexity that you add with wills, you are probably better off seeing a solicitor in the private sector. Our solicitors at the Public Trustee are qualified and capable to do it as well, but we tend to deal with a cohort in Tasmania where their situation is probably where it doesn't require it as much.

Mr VERMEY - And it's a rare occasion, I assume, but there is the possibility of that arising?

Mr KENNEDY - Yes, you would be right. It's a valid strategy and important part of estate planning for a number of people.

Ms HADDAD - I wanted to follow up. I didn't want to jump in on Rosalie and Kristie's questions before. About the regional staffing as well, you mentioned moving from that model, from having a security guard at the door and most things by phone to something that's much more personalised, which is fantastic to hear. With the client visits in any region, do people go out in pairs, if they're visiting someone in their home, for example?

Ms TAYLOR - Yes.

Mr KENNEDY - Yes, they do. We have a client visitation policy, procedure and guidelines which is all around the steps that you take before you do your visit; and whilst you're there, steps you need to follow if something happens. We also, when we do our visits, make sure that the client has a support person there as well. We have protocols in place to ensure that we do that as safely as possible. But you can never, I guess, eliminate the risk or those incidents happening.

Ms HADDAD - I imagine incidents would be fairly infrequent but, when they do happen, what kind of follow up support is offered to the staff involved?

Mr KENNEDY - Such a good point in that they are very infrequent, but when they happen they do have an impact and reverberate around staff. We have a process in place for support. We bring in employee assistance on site; we have a debrief and we review. We had an incident during the year. We had an external Work Health and Safety consultant come in, review our existing practices, what are the learnings, what do we need to do differently? We've put a lot into that over the last 12 months in particular because we needed to, shifting from where we were.

PUBLIC

Ms HADDAD - Is there a version of clinical supervision in a Trustee environment? It's probably not called that, but is there a version of that in terms of recognition of the kind of information that account managers might be exposed to over the course of their work?

Mr KENNEDY - Yes, I've been referring to that as professional supervision. That's the clinical supervision, and that's provided through Positive Solutions, a Tasmanian organisation which also provides our employee assistance program on site.

Ms HADDAD - Is that a permanent feature of the work supervision that account managers go through, or is it something that they opt into if they require it? In some medical fields, for example, professional supervision is just built in, so there's no question about it and it's a positive thing for the that workforce.

Mr KENNEDY - When we launched it, we made it available to all our staff, but it is optional and that was on the advice that we got from our provider in that you shouldn't force this on people. You want that level of engagement.

I believe in the first year we had 21 participants, now it's currently sitting at 17. People sometimes opt out and feel that they're okay for a period of time and they might pick it up later. We don't make it compulsory, but it's available to all our staff.

Ms HADDAD - Thank you,

Dr WOODRUFF - The caseload that we have here - we've talked about that a bit that you've developed. Can you please talk about where we sit relative to other state public trustees? Do you know where they are in terms of their caseloads and talk a bit about that?

Mr KENNEDY - Yes. I'm really proud of the model we have in Tasmania, and I feel like we're leading the way when it comes to other jurisdictions. A big part of that is our legislation that we have in place, which is contemporary and only the second jurisdiction around Australia that has will and preference and supported decision-making.

Caseloads are really high in other public trustees around the country. If I look at Victoria as a comparison, they have a very different model. They have huge scale and they have a more call centre-type approach. They go about it differently. It's not something I can compare with exactly, but -

Dr WOODRUFF - Is that proportionate to their population? Obviously, they have a bigger caseload because there are millions and millions more people. Do you mean proportionate to the population?

Mr KENNEDY - It is, but also proportionate to the scale of the money that they look after. The wealth profile is different for people in Tasmania compared to Victoria. To answer your question succinctly, we are one of the only jurisdictions that has a caseload of 50 and below, but we're also the only one of two jurisdictions that has supported decision-making. What I'm trying to explain here is that the previous model didn't require this level of relationship around consulting with the client around every decision. Part of it is each jurisdiction's designed on their own relevant legislation.

PUBLIC

Dr WOODRUFF - Okay, that's interesting. So what you're saying is that there is what might seem a counterintuitive experience that we're having where you provide more input with the face-to-face and the connection and the relationship building, and that is increasing the staff and customer satisfaction and is nonetheless or as a result one of the two leading to a financial bottom line or helping to achieve a good financial bottom line.

Mr KENNEDY - The only other jurisdiction we had to reach out to when we were going through this change was Victoria. They indicated that their workforce had to double in preparation for the complexity, which is why we knew early that the resourcing was key.

The other difference with the Public Trustee in Tasmania from a number of other jurisdictions is that we have a community service obligation agreement with the government, and that's fully funded. A number of other jurisdictions around the country are self-funded and don't receive any support when it comes to the delivery of these services. We're very appreciative of the model that we have in the state.

Dr WOODRUFF - Thanks. Can I ask a question about the community service obligations? I asked the Attorney-General two years ago about the Office of the Economic Regulator and about the money that the government gives with community service obligations to the Trustee, and the relationship for people who are on orders for you to manage their finances - there are fees still charged, is that the case for people who are on orders?

Mr KENNEDY - Yes. Have you finished asking a question? I didn't want to interrupt.

Dr WOODRUFF - Yes. Is that correct?

Mr KENNEDY - Yes, there are. I spoke before that through our Community Service Obligation Agreement, the government provides support to cover the net avoidable cost for represented persons, with assets up to \$100,000, which is almost three quarters of the represented persons that we support. Those fees are some of the lowest in the country.

However, with the last recommendation from the independent review about to be put in place, other than a management fee that we charge to look after people's investments, clients between \$0 and \$40,000 won't be paying any fees, and clients with \$40,000 to \$100,000 pay significantly subsidised fees. It puts us at the forefront around the country.

Dr WOODRUFF - You obviously, as the Public Trustee, think that it is important to retain that?

Mr KENNEDY - Yes.

Dr WOODRUFF - Do you think that that distribution as it currently stands, which is set by OTTER - no, that's set by the government, by yourself, that below \$40,000 and so on - who sets that? Where does that line get drawn?

Mr KENNEDY - That's done in conjunction with government and the Public Trustee. When we sit down and put a CSO agreement in place for two or three years, it outlines the category of clients who are to receive that support. That was looked at in the independent review. It was actually determined after that, that the levels were appropriate. It's looked at and reviewed as part of everything within that agreement on an ongoing basis.

PUBLIC

Dr WOODRUFF - When's the next review of that agreement due?

Mr KENNEDY - It will be in the first half of 2026. Our current deed expires 30 June, and as part of the normal process, we start the process around rolling that over or renegotiating for the next period.

Dr WOODRUFF - Sorry, I hope you don't mind me taking those questions. Do you think at this point, there's a need to change that bottom line or the top line? The \$40,000 limit with no fees, and the \$40,000 to \$60,000.

Mr KENNEDY - I don't think so at this point in time. One thing I would like to say, though, is even though on the back of implementing the Office of the Tasmanian Economic Regulator (OTTER) recommendations and the independent review, there's been some fees that we've abolished. We talked today about the significant fee saving we will be able to deliver for those clients with less than \$40,000. That's not where we're finished. Part of the board's corporate plan is to make sure we review all our fees across all our services. We want to move towards a more simplified fee structure and something that's more easily explained and understood by all our clients, not just representative persons, but wills, estates and trusts as well.

Ms TAYLOR - If I can add to that, Treasurer? The board's conscious that a wholesale fee review hasn't been conducted with the Public Trustee since 2003, so quite a while.

Dr WOODRUFF - That's incredible.

Ms TAYLOR - Yes. As we've already said very clearly, we're working with an IT system, and it has a lot of legacy issues. Once we can actually interrogate data with the new IT system, look at our efficiencies and how we can work, the board's committed to looking at a fee review across the board at that time. As the CEO has already commented, with the helpful recommendations from OTTER. In terms of the confusion on many of the recommendations about clarifying what we can at this particular time, we have fulfilled 15 of the 18 recommendations. The three that are outstanding are really dependent on good reliable data that, at the moment, we couldn't supply.

Mr KENNEDY - Can I add to that? Our fees are set in regulations. Whilst that's been the case for decades, over the journey we have made changes to our fees. I wanted to clarify that point. We do that in conjunction with CSO funding and with government.

I've talked about a change that's coming on 1 January, which is significant. In the last 12 months, there were some smaller fees that were abolished. Prior to my time at the Public Trustee, probably seven or eight years ago, there was also a review done of fees and fee relief provided to represented persons. That's where that tier of zero to \$100,000 came in. A wholesale review is required, as the chair said, and that's ultimately where we'd like to go.

Ms HADDAD - I know I already went to the Treasurer early on in my questions around the security of that community sector obligation funding from government. I note that that current agreement also expires at, I think, 30 June next year. Have renegotiations already commenced for the new agreement? Are you expecting any changes in either direction to that community sector obligation funding?

PUBLIC

Mr ABETZ - From the minister or the Attorney-General's point of view, I'd have to take that on notice.

Ms HADDAD - Okay. What about from the Trustee's point of view, if you're able to add to it in terms of the needs of the organisation?

Mr KENNEDY - I would say that we meet on a regular basis, quarterly, with the Department of Treasury. This is something that's been discussed that is upcoming, so it's definitely on the radar. Whether work's actually commenced yet I'm not able to comment on. It's certainly something that has visibility from both parties and will be dealt with as part of the normal process.

Ms HADDAD - From the perspective of the organisation, do you feel - and don't share anything that you can't - like Treasury is alive to the need for that funding to continue in terms of the vast improvements that have been made and potentially any need that the organisation might have for that CSO obligation to increase over time?

Mr ABETZ - I can answer that as Treasurer. We are alive to it.

Ms HADDAD - Okay, excellent. My other question goes to the original work that the Law Reform Institute did back in, I think, 2017-2018, that led to a lot of the legislative change. The former attorney-general, Elise Archer, introduced the changes starting with the advanced care directives legislation and then moved on to the bigger tranche of legislation which included the will and preference test change and a whole lot of other reforms. Do you know whether, from a government perspective, all those relevant recommendations from the TLRI's 2018 work have been implemented, or if the parliament can expect to see further tranches of reform legislation?

Mr ABETZ - I've got a cheat sheet here from the Attorney-General's chief -

Dr WOODRUFF - I love your honesty.

Mr ABETZ - I'm always open and honest. Work to resolve outstanding matters remains a priority in 2025-26. The next round of proposed amendments is expected to include safeguarding reforms to better prevent and respond to the abuse of older Tasmanians, as well as responding to national reform efforts on enduring powers of attorney.

Ms HADDAD - On that first point, Treasurer, I note that the Law Reform Institute -

Mr ABETZ - Now you might be testing me.

Ms HADDAD - There might be another cheat sheet waiting for you, behind you. The Law Reform Institute has recently, in the last few weeks, released their most recent research paper, which is called Safeguarding Against the Abuse of Older Tasmanians. That's already made a series of recommendations. Is the government aware of those? Is that the kind of research that's going into the potential for this third tranche of legislative reform of the guardianship act?

PUBLIC

Mr ABETZ - I'm sure the government's aware of that paper. If I may, I will take that on notice. As I understand it, the Attorney-General's office will take advice from the Minister for Health's office as well in determining the way forward.

Ms HADDAD - I believe that research paper has recommended, for example, a new statutory officer position - a commissioner for older people - that would be part of an overarching body with various powers to receive reports and complaints and make inquiries. Also, a more specialised approach to restraining orders and amendments to our criminal laws to provide for additional criminal offences relating to the misuse of enduring powers of attorney and guardianship. It goes a little bit into that elder abuse space as well.

I wondered - and this is a little outside of either portfolio - but one of the other recommendations that's often made when it comes to elder abuse in various forms - stay with me here, Treasurer - is the incapacity of our family violence legislation to deal with child offenders, not taking away from the significant reforms that our family violence laws made at the time, as they are quite old and in need of review. Those family violence laws at the moment don't enable parents to be able to take family violence action or orders, for example, if it's their child who's perpetrating family violence.

I wondered if I could put that onto the record at these Estimates hearings today in terms of that further tranche of law reform specifically because the TLRI has gone a little way towards that territory in that most recent research paper in mentioning the criminal law. I am wondering if that's something that you're aware of, or have heard the community's concerns around, and whether that can be taken on notice or put into the thinking of the next part of law reform?

Mr ABETZ - Specifically for me, no I'm not. I'm sure the Attorney-General is. I'm sure the chief of staff for the Attorney-General sitting behind me will refer the transcript of the *Hansard* to what you've just put on it to him for his consideration in drafting legislation.

Ms HADDAD - Thank you. Procedurally, do you want me to write any of those questions on notice out? You do? I'm getting a nod. I'm getting a yes from you, and a no from you. What would be best in terms of procedure to get some of those answers?

Mr ABETZ - As I understand it, technically they have to, under Standing Orders or something, be put in writing, and then handed. I think diligent staff will read through the *Hansard* transcripts in any event.

Ms HADDAD - I will do my best to write out some of what you've taken on notice today. I will come back maybe through the Attorney-General if there's anything unsound.

Mr ABETZ - Please do.

Dr WOODRUFF - Our job as legislators is to make changes that will make Tasmania a better place. What else needs to be done in the regulatory space? Do you have a list of things that are impediments to the work the Public Trustee does? You can take this on notice if you want. Things which are difficult, annoying, obstructive, and not as good as they could be. I think we want to do everything we can to have continuous improvement -

Mr ABETZ - Some might call that red tape.

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Dr WOODRUFF - Continuous improvement in the regulatory or legislative space. The CEO has described our guardianship and administrative amendments to the act as bringing us into maybe the best place in Australia, certainly with the dignity of risk added in, in addition to the overarching will and preferences. It's a good place to be. We should always be reaching for the sky.

Ms TAYLOR - Thank you for the question and that's very good food for thought. We work under four acts. From the board's point of view, in the last few years we've been bedding down enormous changes, as you know, with the Public Trustee. In terms of regulation, at this particular time I can't think of something off the top of my head, but I will take that on notice, Dr Woodruff, if that's okay?

Dr WOODRUFF - That's fine. We have the regulatory environment, government funding, the Public Trustee, it's your staffing, your engagement with customers, with clients and with people; the people representing those people, in addition to the work that you do engaging with people yourself, face to face, the stakeholder group and the consumer advocacy group - or groups. I know that the CEO mentioned earlier the importance of the Tasmanian advocacy group in bringing us to the point of having the Bugg review and having the work done that has led to this transformation.

It has been consumer voices that outlined the problems and led to the changes that we have. What do you think could be done to support the role of the consumer advocacy voices, not just the individual clients, but the system that is to support individuals when, for whatever reason, their voices can't be heard, or they can't speak for themselves? It's not your job really to do that, except that you do by law require to have that engagement with consumer advocates, and it's important to maintain the integrity of the legislation.

Ms TAYLOR - We want everyone in Tasmania - the Tasmanian community is our client, really, and we've said earlier on in the presentations that our door is open. We genuinely mean that. We have worked very hard, I think, around building relationships with advocacy groups and making them very aware of what we do. Some have been very embracing of that relationship, some less so, around our role versus their role. We will keep making it very, very clear that we're all in this together and both of our roles, or all of our roles, is to make life better for the clients that we serve.

I will keep working as Chair to ensure that the Public Trustee is always at the table, always with an open mind, always wanting to do the best for those clients who walk through our door, or any other door that we can work with for that person.

Dr WOODRUFF - Thank you, Chair.

Mr ABETZ - That's a good approach.

Dr WOODRUFF - It's amazing. We're very lucky to have someone with your heart and spirit leading the board.

Ms HADDAD - I know we're coming to the end of the time, but I want to put on the record as well, as I have already in this hearing, that it is so refreshing to hear how much transformative change has occurred in such a brief period of time in the scheme of things, and that that has been to the benefit of clients.

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My final question is really a very specific example that came up: I referred earlier to those GBE hearings before either of you were at the table, and it was many years ago where I think the public was really quite shocked at the very dismissive attitude that people at the table that year had towards clients and towards the Tasmanians in need of services of the Public Trustee. One of the really practical examples that was given at that time -

Mr ABETZ - Can I quickly interrupt there? I still remember Senator Carol Brown and I signing a joint letter and being treated absolutely dismissively.

Ms HADDAD - Is that true? I didn't know about that.

Mr ABETZ - Yes, Carol and I cooperated together for a particular individual. It was above politics, we just wanted an outcome, and we were both gobsmacked. That is why for me, I was able to say genuinely that the things that have come into my office, in relation to these matters, have gone to nil. I haven't had a complaint since I came into state politics.

Ms HADDAD - Well, there you go. That's very telling, isn't it? Likewise, I was having a pretty steady flow of constituent matters coming through my office. The question I was going to raise -

Mr ABETZ - Sorry for interrupting, but I thought it was -

Ms HADDAD - No, it's fine, Treasurer. It's actually good to have that background. I didn't know that you'd cosigned that letter. It's also a testament to the speed of change that's happened in the meantime.

One of the examples that was given at the table that year was someone who - and I will be paraphrasing it, I didn't have time to look up the *Hansard*. He paid for his groceries using vouchers and he lived within walking distance to an IGA. At that time the Public Trustee would only issue a supermarket voucher for Woolies and that meant a bus ride. Often he couldn't afford the bus fare or a taxi ride, so he was walking - I can't remember the kilometres, Treasurer, but it was a couple of kilometres either direction, and then carrying his groceries home. Is there more flexibility in how clients can use their money now than there was back then for practical day-to-day things like groceries?

Mr KENNEDY - Definitely. Even the number of clients who rely on vouchers is significantly less. Out of the approximately 1200 people we support, there are about 30 people who would rely on vouchers. Also the number of vouchers that are available is broader. When it comes to IGAs, it really does depend on the individual franchise, but we work with people around alternatives. If it doesn't work and they can't have the card, what else can they do? We've looked at other payment-type cards as well to support people.

Ms HADDAD - That is really good to hear.

Dr WOODRUFF - I don't have any more questions today. I've asked everything I feel I needed to ask. I'm very grateful that we have such hard-working people working in the service of Tasmanians.

Ms HADDAD - And keep letting them go with the funding that they need to make sure it continues, Treasurer.

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Mr ABETZ - I've had a long-standing interest in the Public Trustee that I have shared -

Dr WOODRUFF - I know. It's great to have you at the table.

Mr ABETZ - with the Chair and the CEO. My late wife worked for the Public Trustee for some time, so I had some insights - albeit a number of years ago.

Well done to the Public Trustee. It's nearly as easy sitting here as it is with MAIB Estimates - the two organisations that are performing exceptionally well for the people of Tasmania. So well done. If the Chair and CEO can pass on to all the staff, and it's not often I dare speak on behalf of everybody at a committee, but I think I can, to pass on our thanks for the reform that's taken place.

Mr KENNEDY - Thank you.

Mr ABETZ - It's great credit to the leadership but the leadership also needs a lot of people to make it happen on the ground. You've got a great team effort and well done to you all.

CHAIR - In that case, we will finish this time for scrutiny. I thank everybody who has been in attendance.

The committee suspended from 11.57 a.m. to 1.00 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Public Financial Corporation

Monday 24 November 2025

MEMBERS

Ms Helen Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Dr Rosalie Woodruff
Ms Ella Haddad

WITNESSES IN ATTENDANCE

Hon. Eric Abetz MP, Treasurer, Leader of the House, Minister for Macquarie Point Urban
Renewal

Tasmanian Public Financial Corporation

Heath Baker

CEO

Gary Swain

Chair

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THE HOUSE OF ASSEMBLY GOVERNMENT BUSINESS SCRUTINY COMMITTEE MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE HOBART ON MONDAY, 24 NOVEMBER 2025.

Tasmanian Public Finance Corporation

The committee met at 9.00 a.m.

CHAIR (Ms Burnet) - I welcome the minister, chair and CEO to the committee today and also welcome the other members of the committee.

The time scheduled for the scrutiny of the Tasmanian Public Finance Corporation is one hour. As is the practice of the committee, the time taken for any breaks will not be added to the time for scrutiny, so I do not intend to take a dedicated break. Members and witnesses are welcome to help themselves to tea and coffee throughout the day and take any other appropriate breaks as necessary.

Members would be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or the chair of the board and the questions handed in writing to the secretary, Fiona.

I invite the minister to introduce any other persons at the table, including names and positions. I also invite you, minister, to make an opening statement.

Mr ABETZ - Thank you. I've got Gary Swain to my immediate left, whose title is Chair of TASCORP, and Heath Baker, the CEO of TASCORP. I have a one-and-a-quarter-page opening statement, if I may, Chair.

2024-25 was shaped by global economic uncertainty and geopolitical tensions contributing to ongoing volatility in financial markets. Despite these challenges, Australia continued to be viewed as a relatively stable market for both domestic and offshore bond investors, and this confidence was reflected in the strong demand for TASCORP bonds.

In alignment with its long-term funding strategy, TASCORP successfully issued an additional \$3.39 billion in bonds during the year. This funding has supported the Tasmanian government and its entities in delivering essential community services and investing in critical infrastructure projects. This was achieved while delivering and operating profit after tax of \$34.1 million. The government continues to support TASCORP's client loans to government businesses through the guarantee available under the *Tasmanian Public Finance Corporation Act 1985* as amended in September 2023.

TASCORP's key functions are: raising funds in domestic and international markets, lending the proceeds to its Tasmanian public sector clients, providing deposit facilities to support clients in their cash-management activities, providing financial-risk management advisory services to its clients, investing surplus funds to achieve an acceptable risk-versus-return trade-off, and providing fund-management services to the state, in particular the Mersey Community Hospital.

In financial year 2024-25, TASCORP ensured ample liquidity was available to clients to meet cash demands and TASCORP's own financial commitments. Ensuring that there is ample

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cash available to clients where needed is a key focus for TASCORP during times of financial market stress. TASCORP met or exceeded all financial and non-financial targets set out in its statement of corporate intent. TASCORP's financial outcomes for the year were positive, reflecting a prudent risk-management approach of maintaining high credit quality and low-risk balance sheet.

TASCORP returned to the state total tax and dividends of \$126.4 million. This included \$27 million tax and dividend from TASCORP's Treasury activity, and \$99.4 million from the Mersey Community Hospital fund. Looking ahead, TASCORP's balance sheet is expected to continue to grow.

With a small, skilled team of dedicated professionals and strong employee engagement, TASCORP is well-positioned to provide high-quality funding and financial risk management services to Tasmanian Government entities.

Finally, I take this opportunity to thank TASCORP's board and staff for their commitment and professionalism during a year of remarkable growth.

Mr WINTER - Thank you for being with us, Treasurer, Mr Swain, Mr Baker. I'd like to start with Mr Swain.

Over the course of the last 12 months, client advances have increased from around \$9 billion to \$12 billion. Over the last 11 years, they've increased to \$12 billion from \$3 billion in 2014. Given this huge increase in borrowings from TASCORP, can you take us through, firstly, your forecast into the future - how high are you expecting these advances to grow? And, is there a level in which TASCORP will feel it is unsustainable to continue to borrow?

Mr SWAIN - A level in where it would be unsustainable to borrow - TASCORP, in its act, needs to consider financial risk as well as the extent to which any borrowings are guaranteed by the government. For each client, that would mean there would be a point where you would think it would be difficult for TASCORP to continue to lend to them.

In terms of its ability to borrow - I've asked this question of the management team, coming in as the Chair. At the moment, the demand for bonds on issue has been very strong. That may be partly because there's a general view that equity markets are very highly priced at the moment and bonds are still seen as a relatively safe position, given the uncertainty that the trade policy from America means for equity markets.

It also, I think, reflects that when we talk about challenges for the state's balance sheet, it's in the context that we're supported by a AAA sovereign in the Australian Government, of which there are nine in the world. We're the second and third highest credit ratings that are available and supported by very strong sovereign. So, I think there would be a limit in terms of credit position for the state where it would get increasingly expensive to borrow, but we would be a long way off not being able to borrow at this point.

In terms of our peak borrowing - I might ask Mr Baker to talk to that, if he can.

Mr BAKER - Obviously, each year as the budget is released, we update the forecasted borrowing requirement and advise that to the market. As you point out, our on-lending to clients

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as at June 2025 was roughly the \$12 billion. Based on the current estimates we've got, that will grow to around \$21 billion over the next four years.

These funding tasks are announced to the market. The market is aware that we've got this funding target and, as Gary pointed out, we are still seeing strong demand for our bonds. So, at this stage, the market is still conducive to being able to issue that volume of bonds over the next four years.

Mr WINTER - Mr Swain, we just heard - we've gone up by \$3 billion this year, it's quadrupled in the last 10 years, and we're expecting it over the next four years to almost double - so, another \$9 billion in borrowing. How much of the credit rating potential downgrade is being priced in or is being reflected in your forecasting? Is TASCORP expecting to be downgraded by the ratings agency? If so, what's the impact on that for Tasmania's budget and for your clients?

Mr SWAIN - I don't want to speculate on what the credit rating agencies might do. Obviously, I don't want to encourage decisions by rating agencies in a particular direction.

Again, Heath may talk to this better. TASCORP generally has taken the view that markets will price in the risk and particularly off the negative watch. There is some historical precedent to this, where there's been a credit downgrade and there's been a change in the TASCORP pricing of its benchmark bonds relative to other states. I think 10 to 15 basis points is the kind of range - I'm looking at Heath, he can correct me.

We've gone recently through the post-COVID period to being favourably priced to some of the other jurisdictions to now needing to offer a higher interest rate effectively to secure borrowings, which is a return to the historical pricing arrangement. That would lead me to think that that's where the statement that potential changes are already priced in has occurred, because there has been some changes over the last year or two in terms of the pricing of TASCORP's products. I'm just trying to think - there are, of course, other factors that come into play, though.

When TASCORP was favourably priced compared to some of the other - favourable from TASCORP's point of view - i.e. the level of interest required that had to be offered to secure buyers for the debt was lower than you might think relative to some of the big states. That was also - supply and demand factors were also at play, because at that stage, some of the big states were offering - or were seeking to borrow a lot of money in the market. So a supply of their bonds was coming into the market, and that was affecting relative interest rates.

Mr WINTER - Are all these client advances listed in the annual report guaranteed by the Treasurer, firstly?

Secondly, to make the question really clear, are you confident that you're still going to be able to secure the finance at the \$21 billion its forecast in four years?

Mr SWAIN - On the second question, yes. Ninety per cent of our borrowings, or our lendings, are guaranteed.

Mr WINTER - Which one is not?

Mr SWAIN - TasWater.

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Mr BAKER - TasWater and the councils are the only entities at the moment that don't have the guarantee from the government.

Mr BAYLEY - Chair, the government's response to the Planning Commission's recommendation around the Macquarie Point stadium - the Planning Commission obviously recommending that it should not be built - contained a statement. It reads:

The stadium will increase the state's debt but this debt should be paid off within the life of the stadium asset.

We understand that this is a Treasury statement, not a government statement, and it's a statement of what should happen under big infrastructure projects. The debt should be paid off within the life of the stadium asset. It's not a government statement of intent or expectation. In fact, last week in Estimates we heard that there was no modelling for the perceived economic benefits that are going to flow, counter to the TPC's recommendation; there's no time line for paying down the debt; that servicing the debt will be paid by borrowings from the general government sector; and there's no clarity on the transfer of that debt with the asset to Stadiums Tasmania, et cetera.

It begs the question to TASCORP: on what basis can you lend \$490.7 million to the Macquarie Point Development Corporation when it simply doesn't have a plan to pay down the debt; doesn't have a plan to service the debt, apart from the guarantees that the Treasurer gives it? Do you ever say no to government-owned entities that are asking for money and, in this case, the Macquarie Point Development Corporation and \$490 million-worth of money?

Mr SWAIN - I might start that and the CEO may want to jump in. Macquarie Point isn't currently a lender, so it would have to go through a full credit assessment and then be subject to the lending terms of any TASCORP client under the Master Loan Facility Agreement.

To my knowledge, it hasn't got to the point where TASCORP has not been able to lend to a client. That's not something that's happened to date. But the use of guarantees has become more frequent.

Mr BAYLEY - Can you explain the guarantee - is it the Treasurer's guarantee to service the debt?

Mr SWAIN - No, the guarantee under the TASCORP Act. There's a facility for the Treasurer to guarantee the debt of a lender, so one of the lending entities, which effectively means that TASCORP's position is protected by that guarantee. That affects the decision by TASCORP as to whether it's prudent to lend.

When there is a guarantee, what it is effectively saying is that without the guarantee, TASCORP would not be comfortable lending the amount that's been requested. With the guarantee, to date, it has been comfortable to lend the funds requested.

Heath will have a lot more history than me as to whether those amounts have, in some cases, been altered through the process of the credit review. I'm not sure about that.

Mr BAKER - A good question on notice. Obviously, we do work very closely with our clients, and some of our clients, some could say, have ambitious infrastructure projects. The

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key role of TASCORP is to identify the financial risks and ensure that the shareholder minister is aware of the financial risks of a project before he decides on whether he proceeds, based on numerous other factors that he takes into account.

We regularly work with clients around what level of debt that we feel is comfortable. We generally try to ensure that clients stay within in an investment-grade credit rating.

Mr SWAIN - I could probably answer my own question as well. So, the North West Transmission Developments, where CFC will be a lender, Treasury and TASCORP are both involved working with TasNetworks to ensure that the financial modelling and assumptions under that model translate to the smallest debt requirement that is needed from TASCORP in the future to support that project.

Mr BAYLEY - Thank you, that's useful. When it comes to the Macquarie Point Development Corporation, noting they don't have a legal permit yet to build the stadium, and you said you haven't yet done a credit assessment of them, have there been any formal or informal approaches and discussions in relation to the debt facility for the MPDC? This credit assessment, when will that actually be done in the context of the process going forward, given expected construction and completion dates and this sort of thing? When are you going to make that credit assessment, and is there ever a situation where you would refuse the credit facility?

Mr SWAIN - I believe there's been an initial contact from MPDC very recently, noting that I think the revised timeline for completion of the schedule - should it proceed through the parliamentary process - is 2032, from memory, and the proposed funding model has the drawdown of existing payments first before MPDC would then seek to borrow money from TASCORP. That is two or three years away, so there is some time. I think this will be driven by the MPDC board wanting to be assured that they have access to finance before they commit funds that would require that finance.

Mr BAYLEY - They have contacted you? What's that contact?

CHAIR - Mr Bayley, we only have an hour, so it's probably best to go on to Ms Johnston.

Ms JOHNSTON - Thank you, Chair. Going back to the fact that, I think, it was 90.2 per cent of loans are now guaranteed by the state, how does TASCORP assess the risk that GBEs or state-owned companies are, or are becoming, increasingly dependent on state guarantees rather than improving their balance sheets?

Mr BAKER - As we touched on before, under our client lending policy, we're required to do a full assessment of all our on-lending to clients. That excludes the lending that we give to the general government sector itself. There is a fulsome credit review that we do on an annual basis of all clients that looks at their corporate plan forecast. More importantly, it looks at their cashflows and their ability to service that debt. That information, if we deem that they are investment-grade, and we think they are going to maintain investment-grade, we will lend without a guarantee.

Those clients who are forecast to fall below investment-grade, we will refer that on to the Treasurer and request a guarantee outlining what the financial risks are and the reasons that we're asking for a guarantee to support these borrowings.

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Ms JOHNSTON - There seems to be an inherent conflict there around referring to the Treasurer for advice, and the Treasurer seeks advice from the Treasury. How is that conflict managed?

Mr ABETZ - I can answer that. That came to my attention immediately given the two roles that I have, and I will be making full disclosure to Cabinet at all times. Just bear with me. I'm just getting the language right: I'll be notifying Cabinet of these decisions and seeking its endorsement.

Mr VERMEY - Minister, can you provide the committee with an overview of TASCORP's financial performance last year, and any highlights?

Mr WINTER - Honestly, just read the annual report. Why do we have to go through this every time? We've got one hour, Chair. It's just garbage.

CHAIR - I know. This is the rule, and this takes up more time.

Mr WINTER - You are perfectly capable of answering questions. You handle yourself well in this position. Let's do away with it.

CHAIR - Mr Winter, the pain would be less if you didn't interrupt.

Mr ABETZ - In my opening statement I indicated, if I might say, the success of TASCORP with its lending strategies. The government has a lot of confidence in the board and the management of TASCORP and in the way that it has been able to provide dividends to the government, whilst ensuring that there is sufficient funds. Chair of TASCORP, correct me if I'm wrong, but TASCORP seeks to borrow sufficient funds so that there's always money available should an entity require money, so we don't have to rush out to market in a desperate bid for some money, so we've always got a buffer -

Mr SWAIN - Liquidity.

Mr ABETZ - Yes, liquidity. That then gets reinvested, so we make a bit of money on that, which helps the state coffers whilst providing that liquidity for government and Government Business Enterprises, and SOCs should there be a request and demand for further funds.

Mr WINTER - Again, to Mr Swain, can you provide a breakdown of the forecast client advances, as of the end of the forecast period by client? Happy for you to take it on notice, if required.

Mr SWAIN - I will see what we have, if that's okay. It might be a question that's better taken on notice, because I have a detailed table in front of me.

Mr WINTER - Is it possible for you to table that, Treasurer?

Mr ABETZ - I would need to seek advice on that. I will take that on notice and get detailed advice from TASCORP as to the appropriateness of it; it might be commercial-in-confidence consideration.

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Mr WINTER - Thank you. I will put it on notice and we will move on from there. My next question is to the Treasurer -

Mr SWAIN - Sorry, on that one, could I suggest that if it's acceptable, we break it down by sector and also give you the totals, because then we would avoid any challenges with confidentiality.

Mr WINTER - I'm not sure why it would be confidential, given that they're all state-owned government businesses and they're all listed by item within the annual report.

Mr SWAIN - The only ones I'm a little nervous about is the energy businesses, which have substantial investments, and they also have competitors who might be interested to know what their potential gearings and cost structures look like.

Mr WINTER - I appreciate best efforts. I understand, thank you.

Mr SWAIN - I wouldn't mind working through that.

Mr WINTER - Thank you. I appreciate you taking it on notice.

My next question is to the Treasurer. Mr Swain outlined in his evidence at the Public Accounts Committee that TASCORP's view of TT-Line's finances concluded that the level of borrowing sought, \$1.445 billion, was not sustainable over the longer term. TASCORP formally advised the former treasurer, Mr Barnett, that TT-Line's requested borrowing limits were unsustainable in the longer-term, and that alternative funding arrangements should be considered by government. Do you agree that the level of borrowing, which has now been approved, is wholly unsustainable in the long term?

Mr ABETZ - In the long term, if no changes are made and no equity injections made, the board and CEO of TT-Line have embarked on a - and I dare say that evidence might be being given next door - but they are embarking on ensuring the TT-Line runs as efficiently and effectively as possible, to ensure it's ongoing economic viability. There is no doubt that the problem with the Devonport port when the task was initiated, people thought that only a glass was needed for the berth, in fact, a whole jug was needed to have a proper berth. The cost therefore increased from that, which was anticipated. That has put the business under some strain. I'm more than willing to acknowledge and accept that.

As a government, we will back it in. Therefore - and this is very important - nobody need fear that TT-Line won't be plying the waters of Bass Strait, and anybody that has booked, or is intending to book is absolutely guaranteed from the government's point of view that the ships will continue to sail. The talk that has been going on about unsustainability, et cetera, has not assisted TT-Line in the marketplace in getting customers.

Mr WINTER - I think your Auditor-General had to do his job, Treasurer.

Mr ABETZ - As do the Board of Directors; they are the ones ultimately responsible.

Mr WINTER - Has TT-Line now drawn down on that increased facility? If so, by how much? Do you accept the reality that TT-Line is going to need a much bigger equity injection than just the \$75 million in the Budget?

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Mr ABETZ - I'm not sure that that is for here, but -

Mr SWAIN - If I may, Treasurer? No, it hasn't drawn down on that temporary increase in its borrowing cap. In fact, there is a discussion that will commence in December between TT-Line, TASCORP and Treasury to look at the work that's been done by TT-Line that the Treasurer is just referring to, looking at their capital structure. That will start to inform consideration of the longer-term needs of TT-Line for next year.

Mr WINTER - You mentioned in your evidence to the Public Accounts Committee - I'm just trying to find it - that TASCORP was waiting on an update from TT-Line on its capital structure review in terms of TASCORP's knowledge, the government's response, et cetera. Has TT-Line now provided you with that capital structure review?

Mr SWAIN - No, is the short answer. We haven't yet got that. They're working through that as I understand it. The conversation I was just referring to commencing in the second half - or it might be the first half of December - but in December, will be more about, 'Where have you got to and what are you hearing from your expert advisors?'

Mr BAYLEY - My question is to the Chair. You mentioned that TASCORP has had initial contact from the Macquarie Point Development Corporation in relation to the \$490 million it needs to borrow. Can you talk us through that initial contact? Does that include targets for borrowing and an approach for paying interest and paying off the debt? What has been TASCORP's response?

Mr SWAIN - I might need the CEO's support on this one. I don't think it's that far. I think it's an initial engagement. They understand that they will need to borrow money from TASCORP. They haven't done it before, so they haven't been through the process before. It's an engagement more to understand what that process looks like, what information is required, and over what timeframe.

Mr BAKER - To confirm, we were contacted by Macquarie Point last week. The team has a meeting with them next week. The intent of the meeting is to go through what is the process to establish a borrowing limit with TASCORP. At that meeting we will go through exactly what we've disclosed here: what information we will require to understand the financial risk in order to do the credit assessment. It is the initial meeting to just go through that whole process.

Mr BAYLEY - Given where we are at: (1) are you able to table that initial contact letter and any response? And (2) in relation to this issue, and some of those things I raised earlier, there is no timeline or plan to pay down the debt. There's significant uncertainty around the debt transfer, whether it travels with the asset over to Stadiums Tasmania, whether it stays with Macquarie Point, et cetera. Is it an option, as part of those discussions that you will be having with Macquarie Point next week, to say this is simply something that TASCORP can't entertain because of the risks associated with this project?

The PEFO identifies risks: construction risks, the risks inherent in the roof, et cetera. Is it an option that you will sit down next week and look at Macquarie Point and basically given all the issues associated with the recommendations around planning - which had some economic content in it - you'd say, 'This is just not something we can do because of the risk profile associated with this site'?

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Mr SWAIN - TASCORP won't form a policy view on the rights or wrongs of the investment. That's a matter for the entity and, in this case, the government. It's possible with any lending request that TASCORP might say, 'Without support this entity' - as the CEO outlined - 'does not have capacity to service the loan'. So it would need a level of support from the government. What that support might look like, the starting point is a guarantee, but it could go beyond that. TT-Line is an example where the correspondence from TASCORP to the government went beyond a guarantee to talk about also the capital structure of the entity.

Mr BAYLEY - Have you had correspondence with government in relation to the Macquarie Point stadium yet? Sorry, not Macquarie Point -

Mr SWAIN - We're not at that point. The credit assessment would need to occur before a number of papers would go to the board and leading up to a decision paper, which would then lead to communication with government.

Mr BAYLEY - But it's an option next week you say: no, this hasn't got legs because of all these associated problems.

Mr SWAIN - What I'm suggesting is, it's unlikely to be yes or no. It's likely to be - there are entities that can be lent to off their own ability to service the debt. If there's support from government, it's more likely to be, 'This is the nature of the support that is required for TASCORP to be able to lend'.

Ms JOHNSTON - Following on that line of questioning from Mr Bayley, the community broadly understands that Macquarie Point will be taking on an awful lot of debt without a revenue stream coming in. As Mr Bayley pointed out, it's not really clear whether the debt will travel across to Stadiums Tasmania when the asset transfers, or whether it remains within MPDC. How can TASCORP justify entering into an agreement to lend when Macquarie Point has no revenue stream as such? I recognise you said that the other mechanisms such as support from guarantee from government, what other supports would there be available to Macquarie Point Development Corporation to make that loan viable in the absence of any revenue stream coming into pay a significant debt, let alone the interest on that debt?

Mr SWAIN - We are getting into a hypothetical, and that does get ahead of the credit assessment by management or any consideration of that by the board. I don't think I can speculate in the absence of that work being done.

Ms JOHNSTON - Speaking very broadly then, what other supports would be available - would you be seeking generally, in a scenario where a lender doesn't have a revenue stream, when you talked before about a guarantee from government, is there any other supports available that you would be seeking, not necessarily from MPDC, but in that scenario where you had a lender asking to borrow significant amounts of money without a clear revenue stream?

Mr SWAIN - Without commenting on the stadium specifically, there are other mechanisms. Equity injection is one. Potential changes initiated by the business to improve its financial situation would be another. That's not a comment on this business but, in general, a business may have an ability to change its assets and liabilities or its cash flows through decisions that the board might take. We're not this far along with this. We haven't done any of this work from Macquarie Point yet.

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Ms JOHNSTON - Is this an unusual circumstance, that kind of situation? Have you seen that situation before where it's solely reliant on those supports, on a support rather than revenue?

Mr SWAIN - As we've gone through, 90 per cent of the lending to the GBEs and SOCs are supported by guarantees.

Ms JOHNSTON - They do generate some revenue.

Mr SWAIN - There's a couple of different things going on there. In some cases, the reason the business is in public ownership is because it's inherently challenged in terms of its commerciality. There are some businesses that are like that. There are other businesses where they operate in an infrastructure space and infrastructure demand, typically, is incremental, whereas supply can be in very large chunks, which can mean that the ability to support those large investments is challenged without additional support from the shareholders. Some of it is around the decisions and ambition of the businesses, and some of it is around the inherent nature of the businesses and why they're in government ownership to begin with.

Mr VERMEY - TASCORP interacts with many clients. Can you provide the committee with an update on client satisfaction, or otherwise, please.

Mr BAKER - It is in your report.

Mr ABETZ - It is, but it's always good to be reminded of the customer satisfaction and it is a matter of credit to the board and those that administered TASCORP and the satisfaction rating has been very good. They have a -

Mr BAKER - 88 per cent.

Mr ABETZ - One to five is for the category that they ask the various entities to respond, and it sits slightly over at 4.3 out of a category 1 to 5. On lending, that's 4.32; for investment, 4.26; 4.55 for advisory; and single service delivery measure all clients it was 4.40. The results against the targets have all been in the positive area. That's been very good work by our TASCORP folk.

Mr WINTER - My question again is to the chair of TASCORP. On 24 June, when the borrowing limit was - this is for TT-Line I should say. When the borrowing limit was increased subject to the guarantee, it was expected the guarantee would come from an incoming treasurer following the formation of a new government. Why did things accelerate to the point where the guarantee needed to occur by 26 July, ahead of schedule?

Mr SWAIN - This is where I get into different hats again. From TASCORP's point of view, it wrote to the then-treasurer, Mr Barnett, on 24 June to indicate that the board was supportive of a temporary increase in the line, subject to an increase in the guarantee, but noting that it was at that point the government was in caretaker, and noting the convention that you avoid seeking policy decisions where possible. What the board did in its letter was indicate that it intended to seek an increase in the guarantee for an incoming treasurer once an incoming treasurer was in place following the election.

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Then following that, the election, as you would all understand better than me, took some time to resolve. In the interim period, I think the TT-Line board had been thinking about its own position, quite independently of any action by the Auditor-General. In addition, the Auditor-General had been working through his obligations in relation to ASIC because of TT-Line's standing as a corporation at corps law. From TASCORP's point of view, it gave no further advice, but it did receive advice from the then-treasurer, Mr Barnett, I think on 25 or 26 July, advising that the guarantee had been increased. The in between part of that, I think I talked to in another place with another hat on.

Mr WINTER - Were you aware at the time of the concerns that have been raised by the Auditor-General? Were they exclusively about the business remaining solvent or were they also about the business being a going concern?

Mr SWAIN - Was TASCORP? The Auditor-General's obligation, as I understand it, was his test - he had his normal considerations for signing off on their financials. But, in relation to ASIC, it was whether he had a reasonable suspicion. The Auditor-General has considered solvency; reasonable suspicion can be interpreted in a few different ways. One would be that there are scenarios which might be challenging for the business to withstand from a solvency perspective. Anyway, he formed his own view, which is his prerogative and requirement under law.

The TT-Line board had a deterministic view. Each of the directors had to decide themselves whether they believed that they were solvent. TASCORP's job was to determine whether it would lend money to this entity and under what circumstances. Each of the parties had different obligations to satisfy. I think each formed their own view in relation to those obligations appropriately. I'm not saying I agree or disagree with each of the views, but it seems to me that each entity made the decisions it needed to make in a timely way. It just happened that some of those processes ran in parallel through caretaker period, which made everything a little bit more complicated than it otherwise would have been.

Mr WINTER - In that correspondence, the 25 June letter to the then-treasurer, Guy Barnett, you raised concerns about that:

Based off forecasts provided by TT-Line shows that their financial ratios will remain below investment grade parameters for an extended period of time until 2038-39 and clearly demonstrates TT-Line has a limited ability to service its forecast debt levels let alone navigate any further deterioration.

Given those circumstances, can you take the committee through what data you were actually looking at here? What were the metrics that your chair and the board and the CEO were looking at to determine whether the business was at investment grade?

Mr SWAIN - I might ask Heath to talk through that. I will talk through it at a very high level, then flip to Heath. As is TASCORP practice, it will review the credit standing of all its clients every 12 to 18 months. In this case, that happened through April leading into May, there was an information paper to the board in May which talked about an assessment that was partly completed off the financials of TT-Line that then led to a decision paper in June. The June decision was what led to the temporary uplift in borrowing or agreement to that subject to the guarantee.

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The detailed assessment inside the business is done by the credit committee, which is a management committee that effectively looks at the creditworthiness and risks associated with specific loans. At that point I might hand to Heath to talk about the process that that committee will go through in considering a loan.

Mr BAKER - Yes, the process is quite detailed and quite different for TT-Line. Unlike most of our other clients, TT-Line is embarking on a once-in-a-lifetime asset renewal, whereas the majority of our clients have assets that are renewed on an annual basis and in a smaller amount. TT-Line was replacing both ships and both ports so the [inaudible] is very large; in one particular point in a cycle these assets have useful lives of 25 to 30 years, so, no pun intended, it's a bow wave of infrastructure.

We will always expect when a business of this type goes through asset renewal that they will fall below investment grade. From our perspective, it's a matter of how long they fall below invested investment grade and the path and what is the path back to investment grade, how long does it take, what support?

The analysis that we did was based off the corporate plan numbers and longer-term financial forecasts. We were provided with longer term financial forecasts out over 30 years. The base cases of those forecasts still showed that the vessels could be repaid in a 17 to 19-year term. With vessels in isolation having, roughly, a 25-year useful life, the base case showed that there was capacity on the assumptions in those longer-term forecasts that they could service the debt.

What we were concerned about was that their ability to absorb any further volatility or shocks either in revenue expenditure or infrastructure spend. It didn't take much to push that 17-year term out to 25 or even longer. What we were concerned was that they had no ability to service. We went through the process with TT-Line asking them to generate some additional scenarios around lower fare revenues, whether that's volume or price, and the same with their roll-on, roll-off stock.

Mr WINTER - The financial ratios referenced in the question and in the letter, are they the same as the covenants in their existing debt agreements or are they separate?

Mr BAKER - They are the similar covenants that we look at when we're looking at a credit assessment.

Mr BAYLEY - Treasurer, we've heard now that Macquarie Point Development Corporation has made initial contact with TASCORP and there will be a meeting next week. A process rolls out in terms of assessment of that entity. Many of the conversations that Macquarie Point is going to have with TASCORP are clearly underpinned by government and the government's willingness to back it and service its debt. You've said you've given us figures that it's going to borrow \$490.7 million. You've provided some figures, including last week in Estimates, that that will cost up to, based on the figures you've given, \$32 million a year by the early 2030s. What conversations have you had with Macquarie Point Development Corporation around the support the government is willing to offer Macquarie Point Development Corporation? Will you be guaranteeing the loan? Basically, can you declare or table here what commitments you've made to Macquarie Point Development Corporation so that they go into the conversation with TASCORP armed with an understanding of the level of backing the government is prepared to give them?

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Mr ABETZ - As indicated to you by the Chair of TASCORP, these discussions are just starting and MPDC will undoubtedly reach out to us as a government as well to ensure that all three entities - TASCORP, government and MPDC - are all on the same page in relation to the borrowing requirements and how the interest stream will be funded. We, as a government, are backing the MPDC and the stadium. We still have to determine who takes over the debt, whether it will be MPDC or Stadiums Tasmania after it's officially completed. We will look into all that but, at the end of the day, we will be backing in the entity that will have the borrowings attached to it.

Mr BAYLEY - You've provided the public and the Estimates committee, a figure of \$490.7 million-worth of borrowings that the general government sector will have to service to the tune of \$32 million every single year. That's the same part of the budget where we pay nurses and teachers, but we will be paying \$32 million a year to Macquarie Point Development Corporation. You're saying they haven't yet reached out to you, you haven't had detailed conversations about what government is willing to do?

You have provided the public those figures. Are they informal discussions? Is there anything formal and is there a cap? Is there a limit to the level of debt Macquarie Point Development Corporation will go into that you are willing to stomach to build the stadium?

Mr ABETZ - First of all, sure, the interest will come out of general revenue but also coming into general revenue will be all the benefits to the state from the stadium, which is an economic enabler -

Mr BAYLEY - Completely unmodelled.

Mr ABETZ - No, but if you only insist on talking about the interest payments, it is only right and proper that I talk about the other side of the ledger -

Mr BAYLEY - Treasurer, when you've modelled them and provided us the information, we've got the basis to have a conversation.

Mr ABETZ - I heard your question in silence - where we will see income flowing into government coffers and the first one is the AFL payroll tax -

Mr BAYLEY - Is there an upper limit to backing the Macquarie Point Development Corporation? \$490.7 million or would you go higher?

Mr ABETZ - These are hypothetical questions that I'm not willing to -

Mr BAYLEY - Are you saying you haven't had that conversation with them?

Mr ABETZ - because we rely on expert advice from quantity surveyors and others as to what the cost will be. If it's going to be \$1.00 more than what is currently considered, I will take a punt and say, yes, the government will fund that extra \$1.00.

Mr BAYLEY - And you will guarantee funding that?

Mr ABETZ - How long is a piece of string? I'm not going to say that there's a cut-off point at this particular figure or that particular figure. What I will say is that all the advice is it

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would be like if you start building a school and then say, how much are you willing to spend on this particular school? Is \$3 billion the limit?

Mr BAYLEY - I'm hearing you say you will guarantee it, no matter what. Is that the case?

Mr ABETZ - On the advice that we have, it's a reasonable proposition that the financials that we have been provided are robust. On that basis we are backing in the stadium.

Mr BAYLEY - Whose advice is that, Treasurer?

Mr ABETZ - The quantity surveyors from the MPDC, which has informed the price tag.

Ms JOHNSTON - It is a lot of red cents more. Other than obviously TT-Line, has TASCORP identified governance payers and financial management issues with any other GBE or state-owned corporation that have or may require intervention or specific advice to the Treasurer in relation to their sustainability?

Mr SWAIN - I don't think it's TASCORP's job to identify governance failures of entities. That's more a shareholder advisory function which sits with the portfolio agency and also Treasury. I would say that there are a number of businesses that are examining investments that are significant relative to their balance sheet and relative to their capacity, given where they are at the moment off the back of historical decisions. For example, I think it's a matter of public record that TasPorts has a significant future capital program, that Hydro is considering some very large investments, and that TasNetworks is looking at a very significant investment in the north-west on top of its business as usual capital program, which also actually applies to Hydro which has a significant asset renewal program.

They're probably the three front-of-mind businesses where I think TASCORP will have a keen interest as a lender but also - well, it's a matter for the government, but Treasury would be giving advice around those businesses from a shareholder advisory perspective.

Ms JOHNSTON - Other than obviously the TT-Line scenario, which of the major GBEs or state-owned corporations currently presents the highest financial risk from TASCORP's perspective? I know it's a broad question.

Mr BAKER - It's a broad question, but there's obviously quite a number of the smaller government businesses that are heavily relying on funding deeds from the government through the budget process, whether that be Metro, Tas Irrigation, TasRail. From a pure lender's, they're probably, as a standalone, the higher risk and hence more reliant on the government support.

In terms of ranking the others, as Gary, the chair, outlined, most of our larger clients have large infrastructure projects going forward. Whenever government businesses enter into large infrastructure projects over a certain percentage of their total asset base, they go up a notch in a risk rating sense from a lender's perspective. They're all in a heightened risk position but, to single one out, I couldn't do.

Mr SWAIN - Just reflecting on the CEO's answer. I think the entities that have equity support from the government in the Budget, and TasRail and TT-Line are obviously facing significant challenges. You get into a pre- and post-mitigation discussion here that - there's

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entities that, without support, would be in a very challenging position but, in reality, they do have support. I mean the other two I didn't mention that should be significant lenders in the future are Homes Tasmania and TasWater.

Ms JOHNSTON - Just going back to the mitigations, whether they're in the Budget or not is obviously something that the Auditor-General took into consideration of the insolvency with TT-Line. Likewise, I assume TASCORP takes that in consideration as to terms of risk of whether it's in the Budget in terms of equity injections or whatever it might be.

Mr SWAIN - If you go to the letter that Mr Winter was referring to on 25 June, that explicitly talks about the need for equity or other capital support for TT-Line. That's an example of a conditional approval from TASCORP. Of course TASCORP is looking at the world from its perspective as a lender, and the obligation of its directors to act in the best interest of the business.

CHAIR - Mr Winter.

Mr WINTER - Chair, very excited.

CHAIR - I just had notification that Mr Fairs is happy for you to have the have the call.

Mr WINTER - Well, thank you, Mr Fairs.

In terms of the debt-stabilisation for TT-Line, I want to get to the point on the equity injection that's going to be required. Has TASCORP provided any view to the minister, TT-Line or Treasury around the level of equity that's going to be required to get this business out of trouble? To go along with that question: in terms of the debt-to-equity ratio which you referenced in the Public Accounts Committee, it's over 200 per cent at the moment. Is there a level in which TASCORP would be more comfortable for TT-Line to be sitting in?

Mr SWAIN - On the first matter, we have not given any advice yet because that's the process I was just describing before kicking-off in December. All I would say is TASCORP as the lender will be wanting to test the level of equity that might be required because the less the equity, the more the debt in the business. The more the debt in the business, the more incentive, if you like, applies to the TT-Line board to manage the things under its control well, and that's particularly the residual cost of delivering the infrastructure berth up in Devonport.

The original TASCORP decision reflected the fact that the level of certainty around equity requirements in the future would change as the delivery of that project advanced. Projects always have contingencies in them and, as they get into delivery, those contingent costs tend to materialise into actual costs and the contingency at some point for a requirement falls away.

As to the second part of your question, the debt-to-equity, TASCORP will primarily be looking at cash capacity. I might hand to the CEO to talk to that.

Mr BAKER - It's exactly right. A lot will come down to what the final forecasts are. We are cash-flow lenders, so leverage is important. We obviously wouldn't want to see the business go into negative equity, but as I mentioned before, because of the scale of the infrastructure at

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one point in time, we would always expect that leverage ratio to be extremely high. The important piece to us is -

Mr WINTER - What does 'extremely high' mean?

Mr BAKER - Well, 200 would be seen as very high, yes, in a normal business that is operating on a portion of their capex on an annual basis. Once again, this is a business that is doing \$1 billion- to \$2 billion-worth of capex in a five-year period, so with the level of equity that's in the business that is currently around the \$400 million. That does distort that leverage ratio.

Obviously, what we would be looking at to ensure that it doesn't go into negative equity that its losses don't eat into equity so it is in negative equity. That would cause some concerns both for the business and the government. But once again, the level of equity required to bring them back will be determined on the new cash-flow forecast and their ability to service the debt -

Mr WINTER - To repeat the question: what's the normal range that TASCORP would be comfortable with in terms of the debt-to-equity ratio?

Mr BAKER - It's hard to quantify without the analysis in front of me. As a standing principle with this business, we would want the debt paid in advance of its useful life of the asset. It's a 30-year asset, as I mentioned. We would want that repaid in 20 to 25 years so that they can start to accumulate money to put towards the next vessels. So putting an upper bound on it without having the analysis in front of me, I -

Mr WINTER - Treasurer, in your view, is it possible for a state-owned company or GBE to ever be insolvent given that it's owned by the Tasmanian government?

Mr ABETZ - As a technical question or hypothetical, it is very difficult to answer, but if a government loses confidence in it and stops providing equity injections, et cetera, then, yes. I believe that once happened in New South Wales - the Grain Elevators Board, or something, where the New South Wales government at the time wiped its hands of it and said, 'Right, we aren't going to look after this show anymore -

Mr WINTER - But your defence of the TT-Line solvency seemed to be that no government business could ever be insolvent.

CHAIR - Mr Bayley has the call. We have one minute to go.

Mr BAYLEY - In the time we have, Treasurer, in those informal or formal conversations with the Macquarie Point Development Corporation, have you indicated that you will guarantee their debt and have you given them an indication of the upper limit of the debt that you are willing to back in and guarantee?

Mr ABETZ - No.

Mr BAYLEY - You haven't given them an indication that you will guarantee their borrowings?

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Mr ABETZ - No. You said, 'upper limit'. I know your game, that there is, allegedly, no upper limit. Therefore, depending on how I answer, I know how the press release will go out, and I have been burnt too often -

Mr BAYLEY - What about the guarantee, Treasurer?

CHAIR - The time for scrutiny of this organisation has now expired. Thank you for your attendance. We will pause for a moment while we organise the next appearance, but we can do that speedily. Thank you.

The committee suspended from 10.00 a.m. to 10.02 a.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

TT-Line Company Pty Ltd

Monday 24 November 2025

MEMBERS

Ms Helen Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Peter George
Mr Josh Willie
Ms Anita Dow
Mr Carlo Di Falco

WITNESSES IN ATTENDANCE

Hon Kerry Vincent MLC, Minister for Infrastructure and Transport

Ken Kanofski

Chair, TT-Line Company Pty Ltd

Chris Carbone

CEO, TT-Line Company Pty Ltd

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TT-Line Company Pty Ltd

CHAIR - Good afternoon, everybody. Welcome. The time being 1.00 p.m., scrutiny of the TT-Line will now begin. We have three hours scheduled. Members will be familiar with the practice of seeking additional information which must be agreed to be taken by the minister or the chair of the board and the question handed in writing to the secretary.

Minister, I ask that you introduce the people at the table, their names and positions, and if you'd like to make a brief statement to the committee?

Mr VINCENT - Thank you, Chair. On my right I have my Chief of Staff, Tim Lovibond. To the left I have Ken Kanofski, the chair of TT-Line Board. Next to him is Chris Carbone, the CEO of TT-Line.

CHAIR - Thank you. Mr Willie, would you like to open questions?

Mr VINCENT - I have a short statement.

CHAIR - Sorry, some ministers give that up.

Mr VINCENT - No worries.

Chair, no-one can deny the *Spirit of Tasmania* vessel replacement and berth project has been significantly difficult. Even that comment feels like an understatement sometimes. The situation the government found itself in was deeply regrettable. No one is disputing that.

We said all along we would sort the *Spirits* and back the state's critically important tourism industry, which is important for the broader Tasmanian economy. I'd like to commend the diligent work of TT-Line Chair, Ken Kanofski, and CEO, Chris Carbone, in their short time with the company. I would also like to acknowledge the hard work of the TT-Line board which was appointed in December last year.

It is also important to reflect on the ongoing commitment of all *Spirit of Tasmania* staff and crew who have faced criticism about the numerous delays the project has experienced. I've visited the berth 3 site numerous times now, and I've dropped in to see the staff in Devonport twice as well. A few weeks ago I joined Chris on board one of the ships in Devonport to chat with the crew and found that fascinating. Their passion and commitment to the company was clear. They are the best in the business and they're feeling the frustration of the situation TT-Line has been put in.

Thankfully the end is in sight and, as we know, after the meticulous work of all the people I have just mentioned, berth 3 is progressing well and is on track for completion in October 2026. *Spirit of Tasmania IV* is in Australia and *Spirit of Tasmania V* will travel to Tasmania for the first time next year.

Of course, there is more work to do. The government and the TT-Line are in lockstep about what it looks like to get the new vessels commencing their operations on Bass Strait in October, now just 11 months away. The ships have been designed to deliver an exceptional sailing experience with increased comfort. There will be more cabins, more recliners, including new business-class recliners, and an upgraded onboard experience with expanded catering

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outlets, dining and passenger lounges. For those many Tasmanians, and I hope some of this committee, who toured the *Spirit of Tasmania IV* when she was in Hobart, you will have seen that for yourselves.

The vessels are specifically designed and built with Bass Strait conditions in mind. They feature an enhanced hull design, and large stabiliser fins will ensure optimal passenger comfort while travelling the 242-kilometre voyage on Bass Strait between Devonport and Geelong. When people first step on board, the interiors will provide visitors to the state with a taste of what to expect before they arrive.

I'm not saying there aren't still challenges ahead, but I'm pleased to be working with Ken and Chris and their teams to ensure we stay on track, and for the failures of the past not to be repeated. Chair, if I could pass to Ken for some follow up comments, please.

Mr KANOFSKI - Thank you, minister. The *Spirit of Tasmania* is an important and iconic ferry service. It is part of the National Highway. It provides a vital public service and enables a substantial contribution to the state's economy by the tourism and parts of the agricultural sector.

The new directors and management of TT-Line have inherited a very challenging set of circumstances. The renewal of the entire capital base of the business being two ships and two wharves over a three- to four-year period would put financial strain on any business. Imagine if TasNetworks decided to renew all its poles and wires over a three-to-four-year period, or Metro replaced all its buses, or TasRail replaced all its rolling stock and tracks over a three-to-four-year period. Add to this the well-documented cost and well-documented cost overruns and delays that we've inherited and the financial challenges are many and varied.

The new board has been addressing the financial challenges it inherited in a structured and rigorous manner. The new board has, in 11 short months, since its appointment:

- brought the troubled berth 3 project under control and is on track to deliver the budget, deliver the project and have the new *Spirit* vessels operating by October 2026 within the revised Budget that the board developed and announced;
- appointed a new CEO and made substantial changes in executive function within the business;
- worked hard to restore the relationships with the tourism and freight sectors;
- addressed short- and medium-term financial challenges that were critical to the survival of the business;
- made substantial progress on options for the government to consider that will ensure the long-term sustainability of the business;

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- commissioned a root-and-branch review of all aspects of the business operation, which we expect will deliver improvements overcoming months and years;
- commenced preparation for the entry into service of the new *Spirit* vessels;
- developed a strong working relationship with TasPorts; and
- made changes to management practices and policies that were not contemporary and did not meet community expectations.

The board is expecting to present long-term options for financial sustainability to the government in January 2026. Those options will be prudent plans that aim to provide value for money for the people of Tasmania. We expect that our plans will be scrutinised by the Department of Treasury and Finance and the Department of State Growth. We expect that once agreement is reached, the agreed plan will be incorporated in our new corporate plan and we will be held accountable for the delivery of that plan.

We're excited and optimistic about the future. While there are still risks, we are on track to get the new vessels into service in October 2026. We are confident a long-term financially sustainable plan will be agreed with the government and Tasmanians will be able to put this whole saga behind them.

Mr WILLIE - In the Legislative Council committee hearing this morning, a very strongly-worded letter was tabled from the company's legal representation to the Auditor-General. Was the purpose of tabling that letter to discredit the Auditor-General and his findings?

Mr VINCENT - Certainly not. In my short time in this role, I've heard nothing but sensible comments regarding the position of the Auditor-General. We all understand the independence of that position, but it doesn't mean we necessarily agree with that position at various times. I will let Ken speak for this but I felt that there should be a letter returned just pointing out the position of the board.

Mr KANOFSKI - I'm happy to expand on that and happy to table the letter again within this Chamber. The board felt it necessary, given the level of public interest in the matter, to make its concerns very clear and to set out its position on the matter. That's what we've done in the letter. As I said, we absolutely respect the independence of the Auditor-General. We respect the right of the Auditor-General to have a view, but we disagree with that view. We felt it was important to set out the reasons why we disagree with that view.

Mr WILLIE - Minister, the letter basically says that some of his statements weren't true, in terms of meetings and the content of meetings. It also says that the commentary is damaging to the company. Why wasn't more done between the company and the Auditor-General in that period where the Auditor-General did offer procedural fairness. I believe it was between 21 July and 31 July, he offered for the company to come back to him with some information. Why wasn't that opportunity taken up?

Mr VINCENT - I can only speculate on that. That's something I don't intend to do other than ask the chair, because I was not minister then. I will ask Ken to explain a little bit more

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from the board's position, who are the ones in charge of whether the firm is insolvent or not, so they would have had their own discussions at that point.

Mr KANOFSKI - We outlined to the Auditor-General our reasoning at the time. He disagrees, that's fine. That's his right to disagree. But we certainly outlined our reasoning at that time and we outlined it to him.

Mr WILLIE - In a nutshell, minister, it seems there is a dispute around timeframes. So, the company is relying on a short timeframe to determine insolvency; the Auditor-General is taking a longer term view. Was there much discussion between that period of 21 July and 31 July with the Auditor-General's Office to try to reconcile some of those differences of opinion?

Mr VINCENT - I'd need to refer that to the Chair.

Mr KANOFSKI - Yes, we made our position very clear. It appears that the Auditor-General disagrees with that position, But we've made our position very clear and our position is based on expert advice, which we've taken at every step in this process. We've taken expert advice from practitioners in this field who do this day in and day out.

Mr WILLIE - Did you have that expert advice in that period between 21 and 31 July?

Mr KANOFSKI - We wrote to the shareholding ministers on 31 July, I think, enclosing the letter that we'd sent to the Auditor-General. The ministers weren't briefed at that time on the legal advice, but we did send to the shareholding ministers the letter that we'd sent to the Auditor-General.

Mr WILLIE - In terms of this letter, don't you think that this letter being tabled now, it's dated 24 November, is a bit after the fact? It's very damaging in the company's view that there's been a referral to ASIC, that there's been a determination that the company is insolvent. Why wasn't more done at the time to try to reconcile the differences of opinion? It seems like this is happening after the fact.

Mr VINCENT - The Auditor-General's opinion is one thing, but the board are the ones that are in charge of whether the businesses insolvent in their opinion or not. Ken, would you like to expand again?

Mr KANOFSKI - Yes. You use the word 'determination'. It's an opinion, to be clear. The Auditor-General does not determine whether a company is insolvent or not. I say that with all respect to the position of the Auditor-General. That's not what they do.

We took the opportunity as was offered. The Auditor-General, originally when we first met with him on 21 July, offered us two days to come back with information to put our point of view. We ultimately asked for an extension of time to that, which he afforded us. We then wrote to him with our position. We took every opportunity to put our view. The Auditor-General clearly disagrees with that view, but that's okay. He's entitled to his view.

CHAIR - I'll be asking questions on behalf of the Greens from the Chair. We heard this morning at the TASCORP hearing, and some concerns were raised about borrowings from TASCORP. It's clearly a case of déjà vu. We've had, in 2024 during caretaker, there were things

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that occurred, which perhaps Mr Kanofski might be able to reflect on, but how was it possible not to continue with those things during that caretaker period and to ask for borrowings this time round?

Mr KANOFSKI - I'm not sure I understand the question completely. What I will say is, I can't comment on 2024. I wasn't here, I don't know, is the answer to that question. I was appointed in December 2024.

What I will say about the increase in the debt limit is - the first thing I would say is that this debt limit, the knowledge that this debt limit needed to be increased - we haven't gone back and forensically nominated the date on which that would occur, but it would be several years ago, at least two years, maybe longer. It was very clear that the debt limit was not going to be sufficient in order to build berth 3. It was very clear to the board when it had its first meeting in January. I spoke about it in the Public Accounts Committee in March 2025, where I said that we needed to increase our borrowing limit or obtain some additional funding to be able to complete the berth. We, ultimately, sought - and I said we'd go first to TASCORP to see what could be done in terms of a borrowing facility, and if we were unsuccessful in that, then we would need to talk to Treasury.

As it transpired, the board of TASCORP approved a temporary increase in our borrowing capacity, subject to a Treasurer's Guarantee. We were going through that process when the election was called. I recall having a discussion with TASCORP and we were asking, 'Do we need to deal with this issue during caretaker, or can it wait until after caretaker?' Our advice to the government at that time was it can wait until after caretaker.

On 21 July 2025, we appointed specialist advisers. They reviewed the position and on 25 July they said to us that it would be better, it would be preferable, if we were to get that debt limit increased sooner rather than later for a number of reasons, but to give absolute comfort, they didn't want us to run up to the date when the debt limit increase was required. Also, we were conscious that we had an account signing-off in mid-August and we certainly wanted it in place for that time. So, we changed our advice to the government and said no, we want it now, we don't want it after caretaker, we would like it now. Several days later, the government approved it.

Bearing in mind that at the time, we were forecasting that we would breach the old debt limit in about September or October, was the forecast date. I need to correct a statement I made this morning. I said that I thought that several weeks ago we had gone past what would have been the old debt limit, but I was corrected during the lunch break, and we haven't yet gone past the old debt limit. We expect to go past the old debt limit within the next couple of weeks.

We were faced with a scenario where we needed to secure funding to be able to complete berth 3 because it's demonstrably in the best interests of TT-Line, it's in the best interests of the government, and in the best interests of the people of Tasmania that we complete that as soon as we possibly can. The choice the board had, at that point, was increase the borrowing limit, get hold of some financing in some other way, or stop building the berth because that's where the major cash outflow is. The major cash outflow is building the berth. The ships have been pretty much paid for, although we had a little bit more to pay for at that point in time.

I readily concede that our advice to the government changed. At the start of caretaker, we said no, we don't need it during caretaker. During caretaker, based on expert advice, we said it would be preferable if we could have it straightaway. And that's what happened.

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CHAIR - My second question is to you, minister. Out of the lessons, out of everything that's occurred with TT-Line, not getting the *Spirits* just yet, they're not in service. Clearly out of that there was a review of governance arrangements across GBEs and SOCs. How do you feel that this scenario - what's happened in caretaker - has really reflected any sort of changes that you as a minister would want to see in relation to better governance?

Mr VINCENT - I can only talk to the short time I've been in this role but, if I go back to the circumstances I had with TasPorts over the last 12 months, it's a similar situation where the governance now is - the amount of work we have put into the replacement of both boards, and the skills matrix required to take those boards and deal with the issues before and now and in the foreseeable future, has been comprehensive.

There's been no board rushed; both have been selected on the skills required to take it forward. I have also seen a greater level coming out of those GBE changes towards the shareholder ministers and their responsibilities and their communications with board and chair. Mainly through the chair, I should say.

There's also been an increase in reporting back to the Treasurer on updates on the financial situation, which has ticked a lot of boxes. Some were already in place before, but it's put in place a more direct and transparent way of communicating to the chairs. I think it's fair to say that directors coming on board, and chairs, and CEOs - because they play such a pivotal part in the day-to-day operations and the information a board can handle, and what it does - has been significant in the changes towards the management of GBEs.

Mr GEORGE - I want to look ahead, if I can. You refer to 'there are still challenges ahead', and your chair refers to 'there are still risks ahead'. I assume you're probably talking about the same issues. I'd like to know what those risks and what those challenges are, and what impact they are likely to have on the projected start date of the new services in October next year.

Mr VINCENT - Certainly. Before I hand to the chair, from where I sit at the moment, there are two things there. One is, of course, the gantry and the process it's going through, and then we've got to get it out here to Devonport. The second part of that is getting it together and being operational as well.

The second part of those risk factors going forward, which I'm sure the chair will touch on also, is the amount of work being done by the board in relation to how we position ourselves, in the review of the business as a whole. To deal with the situations we've just come through, the massive cost that's been put on the business of replacing all their assets. The third part of that is about how we redo the corporate plan and then the annual plans to follow on from that, on how to set up TT-Line to be a powerhouse in bringing tourism to Tasmania.

They are the three areas I see as significant, and most other things fit in around those three things, in my mind, at this stage.

Mr GEORGE - Can I follow up on that and ask, then, if the gantry is the major logistics issue you've got, what is the threat to beginning the service in October rather than later?

Mr VINCENT - In our mind, getting it out here is the first thing. We will be extremely pleased when it's sitting on the wharf in parts. Besides the seven big pieces of the gantry, there

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are also a lot of other componentry as well that form up the ramps and all the connecting pieces of hydraulics. That's step number one. It has been put together in China and is being dismembered at the moment to be sandblasted and then painted. It's probably best the chair explain some of those intricacies it's going through at the moment.

Mr KANOFSKI - Happy to do that, minister. I've managed a lot of infrastructure projects and they're not over till they're over - that's the reality. When I look at this project now, the infrastructure project, which is the building of berth 3, as the minister says, I think the gantry is the last remaining big risk. Now, there are other risks and there will be other things that happen. What we know now is it has been manufactured, so one risk has been ticked off: it has been manufactured. It's been assembled. That was successful as well. Those are major milestones.

I say, in describing this as a risk - I don't have any current concerns that it's off track. It is simply that there is more that could go wrong in that particular operation than in most others. It will be shipped just before Christmas, it needs to reach Australia, it needs to clear Customs, and it needs to get into the Port of Devonport. It needs to berth and unload by about late January. I've no reason to believe any of those are off track - I think they're all on track - but they're big to do. I mean, this is 700 tonnes - this is a big piece of equipment. So that is our core focus.

The other issue for us is operational readiness and making sure that we are ready. These ships have been a long time coming. It's a big logistical exercise to change over from the old vessels to the new vessels. This is not a simple process of, you know, you sail in on one day, you sail out on the next day. That's not how it's going to work. There needs to be crews trained, crews transferred, machinery transferred. All those things need to occur. The CEO has a project stood up that's absolutely working on that operational readiness, but it's a big job and it comes with its own sets of risks, if you like.

What I would say is we are confident, but we're never going to be overconfident. Our current 'P90' date - which is the date we do a quantitative risk assessment - is October 2026, which says our current risk assessment is that there's a 90 per cent probability that we will be operational in October 2026. That's our current assessment. You pretty much don't go above 90 per cent in terms of your assessment in a quantitative risk assessment. That means we're as certain as we can be, but there's also not a lot of headroom in that. Things have been going well. They've been going very well for the last six months or so. They need to continue to go well.

Mr Di FALCO - Minister, how many visitors does TT-Line estimate the new vessel will deliver to Tasmania every year when it's operational? Did you capture the estimated total visitor spend linked to that arrival? If so, how much is it and where will it be spent?

Mr VINCENT - Thanks. I'll ask the CEO to expand on that in a moment. I've got to commend Chris, though, while he's looking at those numbers, on the fact that since joining the company, he's been heavily involved with heading along to quite a few tourism meetings and discussions as a whole so he can understand the business and where it needs to be. Certainly, we know we've got an increased capacity. That's not going to happen - we'd like it to happen from day one, but that's something we have to build on with marketing and everything else. CEO, would you just like to expand on those numbers, please?

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Mr CARBONE - Thanks, minister. Last year, per our annual report, we transported just under 400,000 passengers, acknowledging that is down on the prior year. What I'd like to put on record in relation to the new vessels - often it's been talked about, the large, 40 per cent-circa increase in capacity.

It's hard to envisage that our freight volumes will grow materially, given that it's a very contested market, with Strait Link and SeaRoad, across Bass Strait. I guess what that means is the majority of that additional capacity will go to the tourism industry, and that's certainly been much needed. That's the feedback I've had from Tourism Tasmania, Tourism Industry Council Tasmania and operators. We are certainly looking forward to putting that capacity into the market from October next year.

Mr VINCENT - One of the interesting things with the new ships is the increased height capacity. Where we've been very constrained with a number of campervans and caravans and things like that, the numbers we've been able to bring, the increased height capacity and laying capacity actually allow for significant increase in that part of the tourism business.

Mr VERMEY - Through the minister, or to the chair. The forward numbers of tourists - how's that projected? How's that looking? Has the negativity, in your mind, driven that back? What's the plan to get that uplift? I know we've all been through the ship - well, most of us have been through the ship and seen how great it is. How do we push that the ship is going? I believe some people are saying they're a bit concerned that, because of the negativity that's been driven, they're worried that if they book, the ship might not be operating. What's the possible plan to combat that?

Mr KANOFSKI - I'll take that, and I'll also ask Mr Carbone as well. Look, it's hard to put a direct figure on the damage that has occurred. What we can say, anecdotally, though, is we have had some people ring and be concerned. We've been dealing with that and providing assurances that we will be continuing to operate. We've been watching the numbers pretty carefully; the numbers don't seem to have moved in terms of bookings since the debate over the last couple of weeks. We've been watching that very carefully. We have call centres which have fielded calls from people concerned about their bookings and we've provided reassurance to them. As has been stated publicly a number of times, the government supports the business and the business will continue to operate.

In terms of capturing what I would call the potential of the new ships and perhaps turning around some of that negativity, closer to the time we will be working heavily with Tourism Tasmania, and then also revamping our own marketing to pursue hard the fact that this is a brand-new product - there's different product on board, things like business recliners and things like that. It's a different product from the old product and we will be making sure we push that really hard.

It is difficult to know, but we're expecting there will be an uplift and we're expecting that uplift will take time to build, but we will build over time. It's impossible to really say with certainty what that uplift will be, because you're talking about new customers and we don't have them currently. We certainly will be targeting our marketing efforts.

The good thing is - and I particularly pay tribute to the CEO on this - in terms of restoring our relationship with the tourism industry and our relationship with Tourism Tasmania, and really being clear about what their role is and what our role is, and all those sorts of things, a

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great tribute to Chris who's done an enormous amount of work to get us stitched into the tourism fabric of Tasmania, because we should be. Chris, did you want to add anything to that?

Mr CARBONE - Thank you. Maybe just from a sentiment point of view, we're very conscious of it, it's something we monitor. What I would say, is we had nearly 4000 people come through *Spirit IV* when it was in Hobart, the sneak peek days; and we certainly plan to do the same thing with *Spirit V* when it's in Hobart. We hope to also open up *Spirit IV* whilst it's in Geelong for similar types of tours. It's important that school groups and the public get to see just how wonderful these new ships are.

Mr WILLIE - It's a bit rich of the government to complain about negativity when they spent \$1 billion on two new ships and forgot to build the wharf and are responsible for the ongoing fallout of that. I think it is a bit rich to ask those sorts of questions today.

Mr VINCENT - I wasn't there when that was happening.

Mr WILLIE - Minister, in terms of this letter, I'm trying to understand the purpose of it. I would have thought if your specialist advice was so robust, you'd be able to provide that to the Auditor-General and rely on that advice to counter some of his claims. Why wasn't that advice provided to the Auditor-General, and why is this letter being constructed by a legal team?

Mr VINCENT - Once again, that's a matter for board. I will hand to Ken to do that. The letter was brought around as of today, 24 November.

Mr KANOFSKI - The advice, as you'd expect it to be, is privileged and confidential. We won't be releasing advice, but there was a great deal of public debate last week that we felt, as a board, that we needed to get our position very clearly on the record and that's what we've done. We've written to the Auditor-General, and we've written to the Auditor-General in the past expressing our view. Whether our view changes his view or not, I don't know. That's really a matter for him, not for us. But surely, it's reasonable for the board to put its position very clearly on the record. The Auditor-General has put his position very clearly on the record and extensively over the last two weeks. So, we're doing the same thing and putting our position on the record.

Mr WILLIE - Minister, I would have thought that the company could share specialist advice, even if it is privileged, with the Auditor-General. The Auditor-General has access to a whole range of privileged documents from time to time in his role and function of that office. Why can't that advice be provided to the Auditor-General in confidence?

Mr VINCENT - There are two things there: this document - the letter was tabled by the chair as part of a board letter made aware this morning, not I as minister, but it is the board's position to take those discussions on where they see fit, as a board.

Mr KANOFSKI - The matter of privilege is very clear. We sought advice on whether we could brief the shareholding ministers and we have briefed the shareholding ministers on the advice. We are very conscious of the fact, and we remain confident in our advice, that sensible people don't waive privilege over their legal advice, so we're not going to waive privilege over our legal advice. My understanding, although I'm happy to take it on notice and get advice on it, is that providing it to the Auditor-General who's not an interested party in the company -

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Mr WILLIE - You are trying to convince him of that.

Mr KANOFSKI - No, I'm not trying to convince him at all.

Ms DOW - You just said you were, by releasing the letter today.

Mr KANOFSKI - No. I'm putting our position on the public record. Whether the Auditor-General is convinced is a matter for the Auditor-General. It's not a matter for me. What I'm saying is very clearly, this is the company's position and we wanted to put that on the record to the Auditor-General given the statements that were made over the last week.

I find it hard to understand why the company shouldn't be afforded that ability to do that, that's a natural thing to do. If you believe that things that have been stated are incorrect, then you're entitled to say you believe they're incorrect; that's what we've done. Whether the Auditor-General is convinced or not is not a matter for me.

Mr WILLIE - In terms of the referral to ASIC, minister, what's your understanding of what plays out from there? Has ASIC been in contact with the company, or does it go through an assessment process, or does it just finish there if they have no other questions?

Mr VINCENT - That's purely up to ASIC where they go; government-owned entities would probably be looked at by ASIC in a different light, I should imagine, but I will ask the chair for an exact part of that process.

Mr KANOFSKI - What I can confirm is we've not been contacted by ASIC. I can't comment on what ASIC's processes are. They are a matter for ASIC, but we've not been contacted.

Mr WILLIE - I've got a new line of questioning, if I can keep going. In terms of the equity injection of \$74.5 million, when was equity support first requested by the company of the government?

Mr VINCENT - I will check on the exact date. Before I was a minister, thanks, but I will just ask Ken -

Mr KANOFSKI - On 15 October we wrote a letter.

Mr WILLIE - Did the company request a timeframe that it would be delivered by? Obviously, you had the Budget, but -

Mr KANOFSKI - No, we didn't. But, clearly, we wanted it dealt with as a matter of urgency. Let's talk about \$100 million, that's what we asked for. It's really a buffer.

Mr WILLIE - A buffer for the short term?

Mr KANOFSKI - No, a buffer for what I would call a medium term, the one to two years. If I can explain the thinking a little bit here: the first thing was we needed cash to keep building the berth, so we asked for an increase in our debt capacity. We were granted that. As soon as we had the specialist financial advisers on board, we asked them to relook at the modelling, particularly concentrating around the first couple of years. This is the timeframe

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issue that you refer to. You have to deal with the short term before you can deal with the long term. The short term was cash to continue building.

The second thing is financial security over the medium term, so the one to two years. So we asked for two things from the government: we asked for a \$100 million equity injection and we asked for the date of the debt maturity, which was granted until October 2026, to be moved until at least October 2027, although we would prefer it to be October 2028. The reason for that is to provide that buffer time for any long-term arrangements that are agreed with the government to work their way through the governmental processes. It's really about getting to assure the timeframes.

In terms of in terms of the \$100 million, it was really about us. We looked at the current debt limit, the new debt limit and said, we don't want to feel at any point under pressure that we're going to breach that debt limit. That was the genesis of the \$100 million. We said we want a buffer -

Mr WILLIE - For the next one to two years.

Mr KANOFSKI - For the next one to two years because we're expecting the debt to peak at around October 2026. The debt essentially peaks when the vessels go into service because, at that point in time, the costs of running four vessels still exists for a while until we can sell *Spirits I* and *II*, but we start to get the benefits of the new vessels at that point in time and the building has stopped, so we don't have the cash outflow of the building.

It's really about making sure we've got enough buffer in there so that we are confident that we're financially secure over that period. That's what \$100 million was: to provide a buffer.

The dates is a similar thing. As you mentioned earlier, dates are really important to this and timeframes are really important to this. We have asked the government and we are working with TASCORP and have formally requested an extension of that date. I don't think anyone will be surprised that we're anticipating that TASCORP will require a Treasurer's Guarantee if they are to agree to that process. So, we asked the Treasurer. The Treasurer has written to us saying yes, he will support it with a guarantee. That guarantees not in our favour; it's in the favour of TASCORP.

We're dealing with that kind of what I would say is a logical methodical approach, deal with the short-term, deal with the medium-term, deal with the long-term. That's what we're trying to do.

Mr WILLIE - Minister, the company asked for \$100 million. Why was only \$74.5 million provided?

Mr VINCENT - The budget was considered on 15 September and it was roughly a month later, on 15 October, that we received the formal request for \$100 million, but it already been considered at the \$75 million. As we knew, there was a financial review happening which the board will consider and bring to government in January - am I right there? That was considered to be an appropriate amount at this stage so we didn't have to readjust that at this point until we take that further financial advice on board.

Mr WILLIE - Was that the company's first advice? In terms of the \$74.5 million, how is that figure arrived at on 15 September?

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Mr VINCENT - Before my time.

Mr KANOFSKI - I am happy to talk. I had discussions with Treasury and I said, 'We are doing this review. We don't have a number for you yet, but it could be of the order of \$100 million or something similar'. Those discussions were held. We needed to wait, in terms of the formal advice, so we gave that informal advice because we were asked for it, so we gave it as informal advice, saying we think it's about this.

We couldn't do it formally until the board had resolved - so we needed to actually receive the final modelling on the first two, several years, and then we needed to the board to approve that and send the request formally to the government.

I would say while we asked for \$100 million, I think \$74.5 million on the basis that it's been given, is sufficient to provide us with a buffer in the circumstances, because the circumstances are we have a budget now, and we have another budget in six months' time roughly. We might feel differently about the \$100 million versus \$74 million of the budget was 12 months away rather than six months away.

The other thing is we asked, it's only been a couple of months now, but we're tracking slightly ahead of where the modelling showed us to be. I'm not declaring that as a victory. I'm just saying at the moment it feels like \$74.5 million will be sufficient and the government has said that if we need more then we need to come back and ask for more in terms of the other \$25.5 million. In those circumstances we think it's a reasonable position and a reasonable buffer for us to carry. We look at our cash flow projections every month, as a board, and we look at them very carefully. We've got a lot of resources trained on looking at cash flow in this business because it is enormously important to the judgments we're making. We're making judgments, we're making them on best professional advice, and we're making them with as much rigour as can be applied to those cash forecasts.

CHAIR - Minister, I want to continue with this concern around debt. Like most Tasmanians, everybody's concerned about how this debt might be paid off. I'm curious to know some of the modelling as to drawing down that debt by the company.

Mr VINCENT - Certainly, thank you. I will hand over to the chair in a moment. With the review being done, we feel confident in allowing TT-Line to postpone or to move off their present corporate plan because of the need to re-evaluate the complete way that we look at, as the chair has already touched on, short-, medium- and long-term debt. That will be a powerful bit of work that we have to work through very early in the new year to put ourselves into a position where we know exactly the effect of some of the issues we've had and where we need to be going forward. Chair, I will ask you to expand on it.

Mr KANOFSKI - Thank you. As I said, we are currently still within our original borrowing limit. Before the increase we had a long-term debt limit of \$990 million and a working capital debt limit of \$45 million. We're still within that currently and we have an approval to go to approximately one point -

CHAIR - How do you pay? How do you pay off those debts?

Mr KANOFSKI - How we pay that debt back is the subject of the long-term modelling which we are currently completing. We're proposing to put options to the government in

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January. Our expectation is that there will be a range of options put forward that will be about how to improve the performance of the business but then also there will be likely to be options about how to improve the financial structure of the business.

CHAIR - Some of those parameters would be limited in relation to increasing passenger fares, freight costs, and so forth. Are you looking at that hedging arrangements? How do you look at those?

Mr KANOFSKI - We're looking at all aspects of the business. Can I say a couple of things about fares and pricing generally? We're in a competitive market so we're in a very competitive market for freight. We are not a price-setter in that market. There's a market. and therefore we need to act within that market to maximise our revenue position, which is what we try to do on an ongoing basis.

Similarly, although no one else runs a roll-on, roll-off ferry for passengers across Bass Strait, it's not a service that people have to use, and so it has to be priced competitively; it has to be priced in a way that will deliver both value for customers and sustainable revenue for the organisation. We're clearly looking at that. But there is no question - I mean, we don't have pricing power to be able to say, 'We're just going to increase the ticket price in order to pay for the new vessels.' The market simply won't allow us to do that.

We're not a monopoly service provider. We don't have that pricing power, frankly. People have a choice; particularly freight customers have a choice. You don't have a choice if you want to take your car across, but you do have a choice not to bring it at all, and to fly and hire one and all those sorts of things - so it's a market. Clearly, pricing's something that we look at all the time in terms of the business. Will that be part of our ongoing consideration? Yes, of course it will be. But it will be aimed at getting as many people as possible onto that ship to generate as much revenue as possible.

CHAIR - The other part was about hedging.

Mr KANOFSKI - You mean fuel prices.

CHAIR - Well, investments, fuel prices.

Mr KANOFSKI - The CEO might help me out a little bit here. We're looking at every aspect of our procurement and I think we're looking to market test all the services we receive and all the goods we receive. Fuel is a massive cost for us. We do have in place some fuel hedging. I'm not an expert in it. I'm going to allow the CEO to talk about fuel hedging. In terms of hedging, fuel is the thing that we can hedge essentially.

Mr CARBONE - I'm probably not the fuel hedging expert either, but what I can say is we do have some fuel hedging in place. We have a new CFO and he's helping us review the hedging arrangements that we have.

CHAIR - Well, if we need any more information on that, we'll get back to it. Mr George.

Mr GEORGE - I'd just like to go back to this sort of looking forward. I accept the fact, through you, minister, that your chair says that there's only a 90 per cent guarantee on any

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infrastructure project. I'd like to hear a little bit more about what the contingency plans are if those timelines blow out.

Obviously October would be a very important date to begin a new service with a new tourist season approaching. Bearing that in mind, I'd like an undertaking from the government that there will be plenty of transparency about what is happening. You've talked about, and so has the chair, about confidence. I'd like an undertaking about transparency. That as this project moves forward, whether there are negative impacts to it or positive impacts to it, that the government will genuinely engage both with members of parliament and with the public about each stage and each development, whether it's negative or a positive impact.

Mr VINCENT - Yes, I can say from my point of view that the attitude of both the chair and the CEO is refreshing. I've seen that firsthand with the way they are dealing with staff and contractors on-site down there many times and the openness. I have attended what I call a 'toolbox', but the CEO calls a 'town hall' meeting of staff from all parts of the business that are able to attend there. At the one I attended, there were approximately 70 to 80 staff and just the openness towards any question that was asked, being relayed and talked about very openly.

Part of that, which the chair will expand on, I reckon, are the options being put by the independent review at the moment, which will give us a fair opportunity to weigh up some of that short-, medium- and long-term viability of the company. It is Tasmania at the end of the day and I'd like to think that always we will be as open as we can be, recognising of course there's some confidentiality in the some of the financials when you're dealing with the customers we are. Other than that, I expect it to be very transparent going forward. I've seen nothing that indicates any different from both gentleman on my left-hand side.

Mr KANOFSKI - Leaving aside legal issues, where clearly there are constraints, and appropriately we need to deal with confidentiality, I think what we've seen, and I don't want to speak for them - we appear at the Public Accounts Committee every three months to talk about this - certainly the commentary from that committee is they feel much better informed than perhaps they had been in the past. I'm taking that as a positive that they feel that way because we are being very transparent about the project. There are certain things that we can't be transparent about and we're being very clear on why.

In terms of the project - we're very transparent about where the project's at and in the Public Accounts Committee as well we've even gone further and given them more detailed briefings in camera about some of the commercial aspects, which we can't do in open because it will prejudice our position. We're very comfortable with being more transparent. We are also incredibly focused on making sure the government is kept informed at every step, because the first step in the process is making sure that the board keeps the government informed.

Mr GEORGE - Which is why I was asking for a government guarantee of openness.

Mr KANOFSKI - As I said, we're being as transparent as we can. I think people have recognised that it is more transparent in terms of the project at Devonport. People have recognised that.

Mr GEORGE - Could you answer the question about contingency plans, if things blow out?

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Mr KANOFSKI - Yes, I can, and I'll let the CEO add to this. We'll go on sale - I won't say exactly when, because we haven't decided exactly when - for post-October pretty soon. Part of our contingency is that we won't sell all the capacity of the new vessels straight away, so that we have a contingency available to us to continue to run the old vessels if we do suffer delays.

When we are closer to the time - and our expectation is around Easter, I think - when we've got enough confidence that we are absolutely going to hit this date, then we'll put the rest of the capacity on sale. Essentially, our contingency plan is: we won't oversell the capacity in the first instance, but when we've developed enough confidence, then we will sell the capacity.

Mr CARBONE - Thanks, chair. The first line of defence I guess, for contingency, is to operate the existing vessels on a double sailing. We certainly have the flexibility to do that on an ongoing basis.

In relation to the question you asked about pricing - what I would say is whilst I appreciate there is some anxiety about will TT-Line increase price, if the last five months is anything to go by, we've actually been lowering price, particularly with our passenger fares and vehicles. One of the key understandings of the business is we have a very high fixed-cost base. Whether it's existing vessels or the new vessels, it's absolutely in management's and the board's interests to fill those vessels wherever possible. The fuel burn, whether the ship's half-full, three-quarters-full or full, doesn't materially change. The crewing doesn't materially change. So, it's in everyone's interest to fill those beautiful brand-new ships.

Mr VINCENT - I might just add to that, that having sat in on the call centre down there with a lot of staff who have been there for 28 and 30 years - and they are magic - should there be any quick capacity of postponements or anything like that, to jump on the phone and work their quite comprehensive list they have of people who might want to be in a position to jump in and fill that position. That's on the present ships. That would also give the capacity in my mind, as the new ships are starting to come on board, that if there is more potential there, they'll be on the phones trying to put those people into the lanes to get maximum capacity on the ships as well. They take it as an art form, I might say, in what they do in the call centre.

Mr Di FALCO - Minister, I noticed the key focus on Tasmanian products and offerings on the new vessels. What interactions have you had with tourism and the business community to ensure that you are offering the best Tasmania has to offer?

Mr VINCENT - Before I hand over to - probably the CEO is the best to handle this - but it's certainly been a major focus. It has changed over the number of years from when I was first associated, going back to the *Abel Tasman* days, and that's through slippage or leakage or just through business transactions. But it's been a focus of Chris to readdress a lot of those things and chase that down to make sure we do maximise the Tasmanian content. I learnt a bit this morning, actually, as he went through some of the things that they are moving back in that have the Tasmanian label and not something else. Chris, would you like to expand on that please?

Mr CARBONE - Thanks, minister. I thank you for the question. I think the business is really focused on 'buy local', and we've particularly tried to reinforce that in recent months. What I would say is when we publish the numbers in the annual report, that percentage includes our total spend. Obviously, we have a number of large items such as our fuel procurement that sits outside of Tasmanian spend at the moment.

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In terms of practical actions we've been taking: for example, we've moved our tea supplier to a Tasmanian company. We've removed mainland wines from the ship. We've removed mainland beer from the beer taps. It's something we've really focused on. The management team acknowledges, and we've heard loud and clear from Tourism Tasmania and TICT, that the experience for most of our customers starts in Geelong, and we're really conscious of making it an end-to-end Tasmanian experience.

In terms of moving forward: like we do now, we'll continue to increase the presence of Tasmanian-procured goods on the existing ships. There's no need to wait until the new ships come into service, which is why we've taken action now.

CHAIR - Mr Vermeij.

Mr VERMEIJ - I suppose, clearing some of that debt is - and we spoke about it a bit just then - about the sale of the other two vessels, or leasing. How far are we into going forward with that, knowing that we can't disclose, et cetera. Obviously, there'd be a good sum of money potentially coming back to alleviate that debt fairly quickly.

Mr VINCENT - Chair?

Mr KANOFSKI - We've appointed a broker to start the process of looking for a buyer for the two old ships. They will fully explore the market. We've said to them we would be open to a sale and leaseback. We've said to them if you've got a buyer who wants to buy them, we're happy to sell them now and lease them back for the period that we need them. Simply from a debt-management point of view, that makes sense. The broker will fully explore all those options.

It is our desire is to sell those old ships, preferably the minute they go out of service. That's why we're starting the process now because they are valued at \$85 million each, so there's \$160 million of potential debt reduction. Obviously we want to get it as quickly as we possibly can once the new vessels are in service.

It's not just simply because of the debt - that's one aspect of it - but the operating cost. At the moment, we've got *Spirit IV* and *V* with crews on not earning any revenue. If we can't sell *Spirit I* and *II* quickly, we will have *Spirit I* and *II* with crews on not earning any revenue. It's an absolute focus.

Mr WILLIE - Minister, it sounds like there will be another bailout in the May budget of \$25 million. The Auditor-General is saying that the company can't meet its long-term debt repayments. I'm sure he probably has an understanding of what's required to do that. The company agrees that it can't meet its long-term debt repayments without corrective action. What is required to meet those long-term debt repayments? What's the figure?

Mr VINCENT - I certainly don't know what the figure is, but the option that we will be discussing in January, when the independent expert financial advice is received, will give us options, short-, medium-, and long-term. That's the important thing: for recommendations to come back to us as shareholder ministers that we can then take to Cabinet for discussion on what that may be. At this point in time, I don't think anybody would be game to speculate on that. Would I be right, chair?

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Mr KANOFSKI - No, we don't want to speculate on it. It's a bit like what we said about Devonport berth 3. In March, we were in the Public Accounts Committee and everyone was singing from the rooftops, going in saying, 'Tell us what the number is, you need to tell us what the number is.' We said, 'No, we're not going to you what the number is. We're going to do the work, and then we're going to say what the number is.'

It's a similar situation here, except it's more complicated because there will not be a single number. There will be options. There is not a single option here. There is a range of options. We're going to fully develop those. They haven't been approved by the board. The first step in the process is to finish the work and that's progressing well, but it's not finished yet. The next step in the process will be the board to agree that these are the options that we, the board, want to put to the government, and then we will be putting those options to the government. As I said, our expectation is that we will put those options to the government in January 2026.

Mr WILLIE - Minister, when will Tasmanians get an understanding of how this is going to impact the state budget through further equity injections? We're possibly talking about hundreds of millions of dollars here in further equity injections.

Mr VINCENT - Certainly in the budget next May. We've got a lot of work to do once we receive those options from the TT-Line board. We will work through those and will need to gather our own advice then to satisfy us, especially over the medium- to long-term. It certainly will need to be if there are any adjustments that need to be made on the forward Estimates in the May budget, and that's what we will be considering in the first part of next year.

Mr WILLIE - Will the government be upfront about what's required to meet these long-term debts once you have that advice, or are you just going to drip feed Tasmanians and have equity injections in each budget and not actually fully reveal what the extent of this cost is?

Mr VINCENT - I can only give you my assurance that we will work through it in the best possible way to make sure that the figures we do provide to all Tasmanians, and in correspondence with what the board feel is needed, in the most open way we can. I guarantee there's nothing we want to hide from this going forward because it is what we need to do to make sure that TT-Line staff and Tasmanians have confidence in the service going forward.

Mr WILLIE - Yes, but it's starting to impact Tasmanians because we are seeing equity injections from the state government, which is money that's not available for schools and hospitals and housing, and the things people care about. It's impacting the economy because we don't have these ships online at the moment. It's hundreds of millions of dollars that will have to be provided.

Mr VINCENT - We don't know what that figure is, so I won't speculate on it. But we will be transparent in how we work through that. I can't do anything about the past. What I can do, as the new minister, is work with these gentlemen on my left-hand side and the board and the staff that are in place already to minimise the impact but maximise the opportunity of doing what we can to make this right for Tasmania.

Mr WILLIE - Surely you and your company have an understanding of what's required to meet these debt repayments. Why can't you be honest about that?

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Mr VINCENT - I think we have been honest in saying we don't know what those figures are in the medium- to long-term. That's why the work is being done.

Mr WILLIE - How do you know you can't meet them? If you don't know what they are, how do you know you can't meet them?

Mr VINCENT - As a state, we will back TT-Line as a state entity. Are you suggesting we walk away from TT-Line?

Mr WILLIE - I'm not at all. I'm trying to get to the bottom of this mess.

Mr VINCENT - I think I've explained time and time again that we are working through those issues and we will, when that's available, be open and honest about it. We just don't know the numbers involved at this stage, and I don't think many people do. That's why we're taking on board several options so that we can take whatever option is going to be the best for the long-term stability of this company in Tasmania

CHAIR - Minister, we're talking about something which - clearly Mr Willie's line of questioning suggests that there's not a finite amount of debt that will need to be serviced for TT-Line. We also have the looming possibility of cost blowouts with a stadium should that be supported in the upper House. As a minister, how will you compete to try to draw down this debt when there will be other large expectations on next year's budget?

Mr VINCENT - I don't see it as a competition against other projects. What I see it as is -

CHAIR - Well, there has to be enough money to go around, minister.

Mr VINCENT - We have something that is already there where mistakes have been made and everybody has recognised that. We have to correct it, and we have, and got it on track to finish. We have to recognise some of those costs involved. But there is no way that we cannot show priority towards TT-Line in the role it plays in so many different parts of what's important for Tasmania's present and future.

The commitment from government all the way through is very solidly behind Ken as chair to make sure that the numbers are right for TT-Line going forward to produce the results it needs to for Tasmania.

CHAIR - Getting back to the issue around fuel and sourcing fuel. There is quite considerable concern about where fuel originates from. If it comes from sources such as Russia - do we know where the maritime fuel for TT-Line is sourced?

Mr VINCENT - Thank you. I'd need to pass that very much to the gentleman on the left.

Mr KANOFSKI - I will pass to Mr Carbone, but we buy our fuel from an Australian provider. I don't think we are privy to the origins of that fuel, but you may have a better idea than I do.

CHAIR - Well, I'd be surprised.

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Mr CARBONE - If we could take it on notice. We do, though, purchase all our marine diesel through Viva Energy. Let us please revert back on a direct answer to your question.

CHAIR - Thank you. So, take that on notice. Mr George, do you have a question?

Mr GEORGE - I pass, thank you.

Mr VERMEY - With the increased capacity of carrying freight, et cetera, how - I've sent plenty of stuff myself, rowing boats and trailers and everything else; often I'm leading, going forward and not travelling on the boat and I think it's part of that confidence.

We've just had some rowing trailers and they're asking me when are they coming? What time do we need to unload? Getting bookings ahead and things like that, how far further do you envisage - or closer, the confidence of being able to book at a shorter notice, knowing there's regattas and things like that on the mainland? sometimes people are saying we can get a caravan on but we can't guarantee getting it back. How are you thinking that's going to play?

Mr KANOFSKI - I will let Mr Carbone talk in more detail again. As a general proposition, the new ships will be about 40 per cent bigger. We believe that most, if not all, of that space will be available for non-freight purposes or non-general freight purposes. The reason we say that is because we have a finite freight market. We have three operators. It's unlikely, I would think, that we would increase our market share markedly in freight, and it's unlikely that the freight in the freight market will grow beyond its normal couple of per cent a year kind of growth, you would think. I mean, if it does, good.

We think there will be a lot more there. There's going to be a lot more capacity available and that should be able to provide people with more confidence. We are certainly aware of the peak problem - that in the peak of the peak there's an issue and people struggle to get the bookings they really want. Obviously 40 per cent more capacity will be really helpful.

Mr VERMEY - I think the lockdown points and the height, especially when we were taking trailers and have national regattas and things happening here, when there's been bushfires on the mainland and the whole of Australia team, et cetera, have all wanted to come to Tasmania, we're trying to supply boats, they can't get them on, and we're measuring to the millimetre for lengths. Now it will be such a -

Mr KANOFSKI - We've certainly got a lot more meterage. And we've got a lot more, what I'd call, high meterage, which is highly flexible because you can put anything in it. That will give us a lot more ability to service the market, particularly at that peak of the peak time. I will pass to Chris.

Mr CARBONE - I'd probably like to make the point that there's also a lot of other external capacity coming into the market. To much fanfare we had SeaRoad launch their new vessel in Germany two weeks ago with a whole ceremony. I guess the combination of that capacity plus the additional TT-Line capacity in October next year should materially change availability for people trying to ship all kinds of freight, including regatta vessels.

CHAIR - Mr Willie.

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Mr WILLIE - Minister, were you saying before that the company has an unlimited line of credit to deal with this situation?

Mr VINCENT - What I have said is that we will review what's coming forward and we will make decisions based on the economic viability of TT-Line going forward by those reports.

Mr WILLIE - Basically what you're saying, though, is that it's unlimited in terms of -

Mr VINCENT - They're your words, Mr Willie. We will make a judgment call when we have proper, independent financial advice in front of us.

Mr WILLIE - You hear speculation about the place that it's north of half a billion dollars to try to rectify this situation.

Mr VINCENT - You said it's speculation.

Mr WILLIE - You're not refuting it.

Mr VINCENT - I will rely on the professional board. I do not have a number that has been discussed with me in any shape or form, other than they will be looking at all the numbers involved in making their suggestions on various options for us to review.

Mr WILLIE - Once you receive this advice in January, will you outline the total extent of it to Tasmanians?

Mr VINCENT - We will need to work through our advice of our own, is my imagination with that, and with Treasury and Finance. And we will be doing that, but at a sensible point in time as quickly as possible, because we need to bring it into - any adjustments would need to be in the Budget. We will be having those discussions first with the board and then it'll become apparent as we work through it.

Mr WILLIE - Okay. Can I go to some other questions?

CHAIR - Yes, certainly.

Mr WILLIE - I'm not a maritime engineer, but I did hear this morning that - yes, thankfully for all of us, I'm not. I did hear this morning that it sounded like the 27 piles for the gantry are still being worked on. I think I heard the term: there's been casings that have been inserted, and there's still concrete being poured and things. However, in a press release on 26 September, the government claimed that the piles had been completed.

Mr VINCENT - The Chair will explain that. Yes, the driving of the casings through the different geotech there was the complicated part of getting the casings in place. There is an internal part to that in the concreting, which I will allow the Chair, who's an expert in this area -

Mr KANOFSKI - It has been completed. I confirmed this morning that it has been completed. The pile casings were all in and then they needed to be concrete poured, and they have been. There's clearly still work that needs happen in order to mount gantries and do all that sort of stuff, but all of the marine piles are in.

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Mr WILLIE - Okay. Then you're waiting for the gantry to be delivered late January?

Mr KANOFSKI - There's a whole range of other things happening on the side.

Mr WILLIE - Will assembly happen straight away from that point?

Mr KANOFSKI - I can give you a precise answer on notice, but if you're happy with a general answer, I'm happy to give you a general answer. The steps that need to be followed with the gantry - one, is get it here and get it on the wharf; second is we will fit it out - so hydraulics and all those sorts of things will be fitted out before it's assembled, because it's obviously a lot easier to fit out something that's on the ground, rather than quite high in the air. Then it will be assembled and all the hydraulics and things will be commissioned. Ultimately, we will then have to commission the gantry itself and get vessels. I think the assembly process will probably take about three months. I can give you a more precise answer on notice if you, if you wish.

Mr WILLIE - Yes, I'd be happy to take that on notice. This is the most complex part of the whole thing, isn't it? This is why there were delays. I did a site tour about 18 months ago and the project team said that if you were going to put a gantry in the Mersey River, you wouldn't do it here, but it's interesting work, just because of the geotech issues. When's the expected completion of the gantry, when it's in place and ready to go?

Mr KANOFSKI - I think it will be about three or four months after it arrives. I can give you a more precise answer on notice. What I would say is the marine piling, which has now been completed - in terms of work in Devonport - was the highest-risk part of that project, and it is now complete. As you refer to the geotech, I've been on the record previously saying that if we weren't as far advanced with what was in place we probably would have taken a different approach than what has been taken, but we were too far down that track. We looked seriously at whether we could do it a different way -

Mr WILLIE - A different design?

Mr KANOFSKI - Different design. We think we probably could have done it with a different design, but we weighed up the time versus cost versus risk equation with the contractor BMD, and the decision was taken to proceed with it as designed. I think it's fair to say, if we were starting from scratch, we'd have probably done something with a different design. It would still be in the same location, to be honest; it's nothing like the location, it's just really -

Mr WILLIE - There are no other options in the river, are there?

Mr KANOFSKI - That's it. There's nothing wrong with the location. It's just we would have probably done it with a different design. I would say, the three highest-risk parts of this project, in my view, were: one, the marine piling, it's now complete; two, the construction of the gantry on time in China, it's now complete; and the third, I would say highest-risk element is getting the gantry here, so shipping logistics risk; it's on track for that. No-one's arguing there's no risk here, but it's under control, it's being well managed and it's on track.

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CHAIR - Minister, through you, to Mr Kanofski. Can you describe the expectations of marine legislation to reduce emissions with the new ships, and what sort of timeline we're looking at with that?

Mr KANOFSKI - Certainly there is a requirement to reduce emissions, but I might let the CEO talk to that in detail.

Mr CARBONE - As we called out in the recent Public Accounts Committee (PAC) hearing, the vessels are dual fuel. At the moment, TT-Line a number of years ago locked into a contract for a base load of liquefied natural gas (LNG) for those vessels. At the moment, the new management team is working to explore additional LNG capacity, with both the company that has been contracted but also through alternate providers. To that end in incoming weeks, I've got meetings scheduled with Tasmanian Gas Pipeline (TGP) and a number of other wholesale operators for LNG. Certainly it's something we're very focused on, and we're trying to maximise the use of LNG given its reduced carbon emissions versus diesel.

CHAIR - Can you tell the committee what the obligations are for TT-Line for reducing carbon emissions?

Mr CARBONE - The obligations are, from a social licence point of view, it's something the board and I have discussed at length. We want to reduce our carbon emissions. To that end, in recent months we conducted a number of 'slow sailings' on a Sunday. Part of that was to not impact the freight industry, but also to understand if we reduce the speed of the ship, how much fuel we would save. We did that on a number of different occasions in recent months. We've got no more future trials planned but it was certainly a good test case in how the speed of the vessel made such a material difference on the fuel burn.

In terms of international regulations, the team's conscious of it. The marine team has a specialist now who's working on the refuelling of the new vessels.

CHAIR - Again, to my question, the timeline as to when you need to do that? Is it just when you start sailing with new vessels, or is there some time imperative to get to that?

Mr KANOFSKI - We probably need to take that on notice and get you the actual timelines and any regulatory requirements that we're seeking to meet and what the timelines are on that. We will take it on notice and do that.

CHAIR - I understand that the design of the ship, the type of paint used on the hull, is all geared to increase efficiency. But I would like to know if there's a timeline to meet those obligations. I will put this on notice, so don't worry, and how much you need to reduce the greenhouse gas emissions by.

Mr CARBONE - Chair, can I also respond to an earlier question about Russian fuel purchases? I've had our Viva Energy confirm they do not purchase any fuel from Russia.

CHAIR - Well, that is a relief, isn't it? But what about through a third country, which we heard about the other night, didn't we, Mr George? Not through a third country?

Mr CARBONE - We will take it on notice.

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Mr GEORGE - I'm going to back up a little bit, if I might. First of all, through you, Chair, minister, can I be very clear that what you said earlier about progress and any hiccups that you might hit and advantages or changes of timeline - that you are undertaking - that the government will be transparent about each stage of progress of this project until it's launched?

Mr VINCENT - Outside of commercial terms we will be transparent about everything as we work our way through it. I think today and what we've seen since Chris and Ken have been in the role confirm their openness to discuss everything openly -

Mr GEORGE - And yours as well as government?

Mr VINCENT - Certainly mine as minister.

Mr GEORGE - The other question I wanted to just back up on - I understand that tickets for sailings on the new ferries - subject obviously to progress between now and Easter - will be going on sale in Easter. So people will be able to guarantee at that stage of the game that they're going to be travelling on the new ferries?

Mr VINCENT - I will ask the CEO to expand on that. They have a - normally 11 months in advance for the tickets, but I think Chris touched on a couple of things they wanted to make sure was right. I will ask for Chris to expand on that a little bit, or Ken.

Mr CARBONE - The intention is we will put tickets on sale for the end of October and beyond in the very near future. Typically, we sell those tickets 11 months out. We think that's important to put tickets on sale because people need to plan ahead, book their holidays, and that's pretty key to the tourism industry.

What I would say to the earlier answer, is we will limit capacity in the short term to the existing ships. As we get closer to go live in October next year, we will release that capacity. As the chairman said, we have some major milestones coming up, including the gantry, so certainly by the time we hit March next year, April, Easter, we will be in a position to sell virtually all of the new capacity.

Mr KANOFSKI - We want to get it into the market as soon as possible, but we also want to be sensible about managing risk.

Mr CARBONE - I would like to take the opportunity to put on the record that there probably will be a small block out period. That's going to be really important because what we need to do is de-provision the existing vessels, provision the new vessels, and have crew change over between the vessels. Certainly it's envisaged there will be a number of days where we have blank sailing. In terms of how that impacts the public and the freight customers, in the same way we have dry docks, we will work with those customers in advance.

Mr GEORGE - Do you have any idea of the block out dates? What period of time are you thinking of?

Mr CARBONE - It's certainly my hope that we get it down to a number of days, but less than a week is envisaged.

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Mr VERMEY - Minister, the promoting of Tasmania and on the ship, it's a floating billboard. You have great QR codes on artwork, et cetera. You have different regions set up. From the food side, you're talking about the wines. How are you going to engage with potential chefs or kitchens to run that, or will you have your own kitchen looking for Tasmanian produce to put on it, or is there a way of selling that?

Mr KANOFSKI - We employ chefs on the vessels. With all aspects of this business, we're trying to maximise the amount of Tasmanian content. That will be our aim. But it's not simply about Tasmanian content. It's about a Tasmanian experience. I believe if you've been on the new vessel, which it sounds like you have, it is a billboard for Tasmania. It's been deliberately designed to be that. We believe that's a major step forward as a tourism product.

In terms of how these things are marketed, I believe we're very clear on trying to work with the industry and work with Tourism Tasmania about who does what and how to manage that in the most coordinated fashion that we can manage it.

It's in everybody's interest for more people to come to Tasmania. It is in our interest for more of them to come on the *Spirits*, and we're going to try to achieve those two things.

Chris, do you want to add anything?

Mr CARBONE - I'd like to relay that we are listening. One of the bits of early feedback I got was, a number of years ago we had tastes on board the ship where local Tasmanian producers could come and show off their wares to the passengers on the ship. We've recently brought that back. Certainly on the new vessel we have the Huon Lounge. We have every intention of having that as a rotating showcase of Tasmanian producers, so it is something particularly exciting.

Ms DOW - Minister, other than Tasmania's next bailout figure for the *Spirit* ferry fiasco, is there anything else that Tasmanians haven't been told about this project or about the financial sustainability of TT-Line?

Mr VINCENT - The obvious answer is, not that I'm aware of. Certainly, we've been very open about the bailout and all the complications as we work through the onshore facilities and everything like that.

There is nothing before me that isn't on the table. Ken, do you want to expand any further?

Mr KANOFSKI - What I would say is - and I think we've said - there are issues with this organisation from a number of perspectives. We've been working through that in a really logical way. Can I guarantee we're never going to find another thing? No, I can't guarantee that; no-one can guarantee that. What I can guarantee you, as we have done as a board since we've been there, is, when we find something, we fully investigate it, we're transparent about it, we fix it. We say, 'This is the problem we had and we've fixed it.'

Clearly, we would expect, over time that we will get fewer surprises than perhaps we've had. While I can't guarantee you we won't find anything that we don't already know about, what I can guarantee you is, if we find stuff, we'll be transparent about it.

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Ms DOW - Through you, minister, there have been examples where you have, I guess, sat on information that you had, particularly around the hulls, and hadn't provided that information in a timely way to Tasmanians. I wanted to make sure, for the record, that there was nothing else that at this current time that you have knowledge of that you're not updating Tasmanians on.

Mr KANOFSKI - I'm very happy to take the issue of the hulls. We went through a process with the hulls and the fenders. We discovered, I think somewhere around July, that we thought we might have a problem with the fenders.

Ms DOW - It was June.

Mr KANOFSKI - Yes, and we said, 'We think we might have a problem with the fenders. We need to investigate this to see if it's a problem.' There was a whole range of people - we had competing technical advice. We had people saying it's not a problem, or you can work around it operationally - you can do this, you can do that. We worked through a process of really working out did we have a problem or not. We then discovered that yes, we do have a problem. Then we worked through a process of a solution, and then we announced that we had a solution and we were doing it.

I reject the kind of the positioning that we somehow sat on that. I mean, we didn't really have much information to tell people. We were still investigating what the issue was and whether it was an issue or not. You can only do so much, right? To be honest, I don't think there's a lot of utility in having a public debate about an issue that we haven't even investigated yet. That would seem, to me, to be a bit of a waste of everybody's time.

Ms DOW - Well, I'd take a contrary view. I think the Tasmanian community should be updated every step of the way. I take heart that the minister has provided that today to Mr George through the work of this committee.

In fact, it was June that you said that you'd identified there was an issue, and it wasn't until October, I don't think, that you told the Tasmanian community, which was a significant period of time.

I understand, through listening to PAC and the hearing this morning, that you're still undertaking engineering work. Has that been completed? Is there a solution for it?

Mr KANOFSKI - Yes, there is a solution. We expect all the engineering work to be completed by Christmas. We expect to issue orders for the new fenders before Christmas. We expect to issue final specifications for the hull works before Christmas. The work will be undertaken in the first half of next year.

Ms DOW - Is there any change to the cost, the \$9 million?

Mr KANOFSKI - No.

Ms DOW - So, through the extended work that you've done, it will still be \$9 million? There'll be no surprises there?

Mr KANOFSKI - No. That's the current estimate and it remains the current estimate.

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Ms DOW - Is it the final figure?

Mr KANOFSKI - Well, we've done a lot more engineering now. I mean, projects are projects, but what I'd say is - when I talked about that a month ago or six weeks ago, we hadn't done anywhere near as much engineering. We've now done more engineering, and we're still confident in that number.

Ms DOW - In the \$9 million?

Mr KANOFSKI - In the \$9 million.

CHAIR - Before I ask a question, are you alright, minister?

Mr VINCENT - Yes, as long as I stay still I'm right.

CHAIR - We might think about taking a break halfway through if that suits everybody, but we'll continue.

To follow up on Ms Dow's questions - you were talking about *Spirit IV*. What about *Spirit V*? Do there have to be alterations?

Mr KANOFSKI - Yes, we're going to do some hull strengthening on both vessels. It's likely that *Spirit IV* will be done in Geelong because that's where she currently is. It's likely that *Spirit V* will be done in Europe because that's where she currently is. The work is not highly specialised work, so we can get it done in whichever location.

CHAIR - Thank you. Minister, you're probably aware, but on page 17 of the annual report, there's the consultancy cost. It lists \$11.1 million of consultancies over \$50,000. Through you to the CEO, take us through some of the 60 other consultants engaged under \$50,000.

Mr CARBONE - In terms of the other consultants, I don't have the details with me, but again, happy to provide them on notice. I suspect they'll be for a whole raft of services provided to the company. Clearly, during the phase of development for Terminal 3 in Devonport, there's been a large number of contractors engaged for that project. I suspect that in addition to the large consultancies such as BMD, there will be a raft of smaller consultancies.

CHAIR - A lot of these probably at the bottom are looking at Terminal 3 consulting charges, for some of those things over \$50,000, but you are expecting that most of those debts or the costs incurred were for the wharf?

Mr CARBONE - I'm happy to take the question on notice. What I would say, I was in the business for six weeks of the reporting period. What I would like to point out though was certainly there will be a mixture of Terminal 3 consultants and non-Terminal 3, within the below \$50,000.

Mr KANOFSKI - Happy to provide a bit more colour on some of the consultants there. I mean APP and North both provide engineering and project management staff to the site, so the people who are managing the project are employed by APP and North. Goldy provide technical advice and engineering advice. Rare Innovation is an engineering design house which

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provided design challenge when we were going through the process that I spoke about with Mr Willie that we were challenging the design; Rare were very heavily involved in that process, and McConnell Dowell did a constructability review of the alternative design when we were thinking about changing design.

CHAIR - I understand your predicament, but this is a significant departure on how much the consultants' fees were from the year before. That was, in total, \$6.9 million and now we're up to \$11.8 million. Can you explain that please?

Mr KANOFSKI - I'm happy to explain that. It's largely Terminal 3. Engineering projects, by their nature, employ a lot of consultants. That's how infrastructure is built. I expect when you see this figure again in next year's annual report, it will be bigger again.

CHAIR - You think it's going to be bigger again? Right.

Mr KANOFSKI - It would be my view. It's simply a factor of you employ a lot of technical advisers and a lot of project management people, and a lot of engineers, and a lot of all those people, and they all come through as consulting fees. It's an interesting site, but quite a lot of organisations actually wouldn't report that as consultants. They'd say they are contractors and they don't meet the definition of consultants. We're being very transparent in reporting all those as consultants.

CHAIR - You're happy to table that list of less than \$50,000?

Mr KANOFSKI - Absolutely.

Mr GEORGE - I'm aware of not asking questions just because you give me the opportunity to, but there's one thing that has been puzzling me or playing on my mind. If I may through you minister to Mr Carbone, he was, I think I'm right in saying, a senior executive with Toll Holdings so presumably knows a great deal about the freight business. I'm wondering about what risks there are for TT-Line with - there's a new ship coming on to the Bass Strait trade, in competition. I'd be interested to know what level of confidence you have of being able to maintain the company's income through freight and what your approach is going to be to the competition? You must have worked this out, I guess, and there must be some specific plans for the new ships.

Mr CARBONE - Thank you for the question. As I alluded to earlier, it's a very competitive market and we're seeing the capacity coming in. But even prior to that capacity we've seen a three-way very contested market for freight. We've seen the Strait Link business for sale at the moment and putting some very aggressive rates into the market. We've seen SeaRoad react accordingly as well. Are we accepting it? No, we've certainly been modifying our freight prices where we need to.

We're conscious of maintaining our market share within the segment but, in particular, also focusing on the profile of freight that we believe should be on our vessels. What I mean by that is that the TT-Line vessels leave later than our competitors and arrive earlier. We would certainly expect a lot of the profile of our freight to be time sensitive, to be chilled. Historically we've carried too much freight that could have otherwise gone on alternate services. So we're quite focused on regaining our rightful share of that time-sensitive market through better account management, through pricing, through listening to our customers, and through the rates

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and rebate structures. There's not one single answer to the question, but we're very focused on our freight business as well as our passengers.

Mr GEORGE - I guess you'll have done some of the work - in fact, there may even be published documentation about it - about what sort of percentage of perceived or projected profits would be through freight.

Mr CARBONE - We currently don't produce externally our segment profitability, but internally in our management accounting we are working towards a better understanding of where we derive our profits from. What I would say is, we do offer passenger and freight services and one of the positive things is we are able to react. In recent times when we've lost some share of freight, we've reacted by freeing up that space to the much-needed overheight capacity for caravans, for RVs, for that tourism sector. Certainly, we've got the ability to move, and we've done so.

Mr VINCENT - Mr George, I might just add to that. In conversation with a growing number of freight operators, they are very aware of the three services coming in and out of the north of the state and fully understand the logistics to the minute detail down to kilometres of where they need to bring it. As an example, if they're going to rail to Hobart, obviously Burnie is a port and they work on the fresh, where it needs to be and where it needs to go, and also the timing ability that the CEO touched on. The same people don't necessarily have a full contract with just one provider; they are very clever and smart on how they utilise all three operations to make sure the logistics are right for getting their product to market.

CHAIR - Mr Vermey.

Mr VERMEY - I suppose the advantage of the new ships in my view is the speed that you can roll on, roll off. That turnaround is fantastic. Also, having the opportunity to have a helicopter come in for emergency evacuations, et cetera, where you've either had to turn around ships or stay, potentially, in port. That must be a big tick to be able to do that. That gives more confidence to have things going through quickly. Has that been a big play or is that a play on things?

Mr KANOFSKI - From our perspective, having the capacity to land a helicopter on the ships is really important. We've had a number of cases recently where we've had to turn around. If you've got a medical emergency, you have to give priority to the medical emergency and yes, that creates inconvenience for others when we get that. So, to have that capacity, potentially, for a helicopter ambulance or something like that, to be able to land on the ship is enormously helpful in terms of our journey reliability and those sorts of things. Chris?

Mr CARBONE - I'd concur with the chairman's comments. I'm personally super excited the new vessels have the capacity to land aeromedical helicopters on them. To that end, in the coming months we're going to undertake some trials with ambulance in Tasmania and in Victoria. That's our plan: to do some practice well ahead of putting the vessels into service.

Mr VINCENT - Can I add to that as well? You mentioned about the extra capacity. One thing we probably haven't sold to the Tasmanian general public well enough is the ships do have that 40 per cent, that we talk about, extra capacity. You're controlled by your sailing times, and we don't have 40 per cent extra in a 24 hour day all of a sudden. To go to that extra capacity,

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the roll on, roll off mechanism and replenishing the ships has to be, basically if they are running to capacity, 40 per cent quicker. Otherwise you're not making your sailing and unloading times.

I encourage anybody - I think Mr Willie mentioned he hadn't been down there for a while - but it's really worth going to see. When you walk up onto the ramp and see the scale of what's happening down there, you fully understand the logistics around turning ships around 40 per cent quicker to put it that way, in simple terms, because of the extra capacity and the mechanisms that need to be built in being able to move the extra caravans, cars, trucks, rowing shells in your case, means the logistics have to be so much smarter, so much better. You can fully understand it when you see the scale of the development, why that needs to happen that way. It's probably something we haven't sold to the public as well as I would have liked about the capacity that we need to keep people coming into the state and why the expense that we've had to endure is so important to the future of those ships in Tasmania.

Ms DOW - Minister, are there any remaining issues that you are aware of that will prevent the new ships from berthing in the Mersey?

Mr VINCENT - No, there's not. The last one I believe - and I'll ask for a bit more expansion from the CEO in a second - was we had been waiting on the EPBC approval for the dredging which has been granted for a 10-year licence. In relation to about 15 kilometres offshore - and we work with local fishing identities and with the EPA as well - to make sure that was right. I believe that is happening in February. I stand to be corrected, but I'm pretty sure it's February now.

As far as I know, that's the last bit of the jigsaw that comes together. There is an accumulation of about 50,000 tonnes a year coming down the Mersey, of shingle and mud and other components. It's always been dredged on a regular basis, every couple of years on a minor basis, but every seven to eight years they have a major dredging and that's what will be happening in February-March, I'm pretty sure.

Ms DOW - So that will be ongoing for seven to eight years, is that what you're saying?

Mr VINCENT - They've got a licence for 10 years as part of the EPA approval and then it'll be addressed as it has been in the past all the time. That is very much with TasPorts, of course. That's something that they do on a regular basis. That doesn't interfere with the ship so much as just normal port activities to make sure the port is as clear as it can be.

Ms DOW - There's no issues with them turning?

Mr VINCENT - Certainly not. The harbourmaster has done a lot of work on that. In the changing from 196 metres to 212 metres there is still capacity in the turning circle in the river.

Ms DOW - There's no issues at low tide?

Mr VINCENT - None that I've been made aware of, and I'd be surprised if there was, but the CEO or chair might have more detail on that.

Mr KANOFSKI - We've been through an extensive process with the harbourmaster and extensive trials. The harbourmaster has provided correspondence in the past to suggest he has no concerns about the vessels' manoeuvrability in the Mersey. It's important to note that there

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are already ships that are bigger than our ships. The current SeaRoad vessel is bigger than our current ships and it turns quite happily in the Mersey. The other important thing is that the - and I'm not a maritime engineer either - but the -

Ms DOW - I'm not either, just for the record.

Mr KANOFSKI - Yes. These new ships are far more manoeuvrable than the existing ships. Their capacity to turn as - one of the captains said to me, you turn it on a dime. They are potentially easier to manoeuvre in the Mersey than the existing vessels just because they're more manoeuvrable, even though they are slightly larger.

Ms DOW - To you minister, through the Chair, just following on from that, with the sea trials that have been conducted, were there any changes that were made between the ones that were done for *IV* and then *V* that have been accommodated for?

Mr KANOFSKI - I will let the CEO talk to that. Yes, there were things learnt out of *IV* that impacted on *V*, so there were things that needed to be fixed on *IV* that ultimately didn't need to be fixed on *V*, because we'd already taken account of them. I will let the CEO speak to the sea trials issue.

Mr CARBONE - Thanks, chair. A similar number of sea trials were conducted for both vessels and it is my understanding, whilst I wasn't in the business at the time, that there were lessons learnt from *Spirit IV* sea trials, applied to *Spirit V*.

CHAIR - Minister, I will draw your attention to page 44 of the annual report and note that the incentive payments were amended to remove the Performance and Incentive Payment Scheme in July 2024. So that was a very good outcome for your approach to governance. I also note that the executive remuneration has risen from \$4.16 million to \$4.515 million. I want some explanation in relation to that.

Mr VINCENT - I will ask the chair to expand on that. There's been some change in positions and he will have a lot more detail on that than I have.

Mr KANOFSKI - I will have to take the detail on notice, I'm sorry. Sorry, no I won't take the detail on notice - there's \$818,000 worth of termination payments that were part of the executive remuneration. That was to do with two redundancies that occurred on 1 July 2024, and the resignation of another senior executive who was only paid accrued entitlements. The principal difference there is the termination payment.

CHAIR - Did that include the former CEO?

Mr KANOFSKI - Yes, it did.

CHAIR - For the record, how much was that termination payment, including entitlements?

Mr KANOFSKI - I need to make clear that the previous CEO's termination payment was only entitlements - he resigned from the business, and he was paid his entitlements, which totalled \$256,000.

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CHAIR - The entitlements were \$256,000?

Mr KANOFSKI - Yes, but I want to make it very clear that he only received entitlements. He didn't receive any additional payments.

CHAIR - In relation to that, you're probably trying to find savings wherever possible. How has that affected how you employ, or who you employ with your executive team?

Mr KANOFSKI - It's fair to say, and I will let the CEO comment on this, we've made some changes to executive capability in the organisation. I think it's fair to say that the structure of the non-operational workforce, if I can put it in those terms, and the management process of the organisation are still a matter for further review in terms of the potential to streamline the organisation.

Mr CARBONE - I concur with the chair's comments. It's something that we're constantly reviewing. We do have a number of interim arrangements in place at the moment. We will go to market for permanent replacements for those roles in the coming weeks. What I would say is that it's not an area that we're currently targeting for major cost savings. I guess, if anything, we've reflected deeply and have split a few roles into two, given the burden of workload that individuals were carrying.

CHAIR - I see. So that may well go up next financial year?

Mr CARBONE - That's correct.

Mr VINCENT - Chair, there's also work done that I, as a shareholder minister, looks at as I work through annual reports - and that's the accrued leave and long-service leave. Some of those payout figures are included in the accumulation of some of those fees. As a management tool people need to take their leave, not accumulate it to great lengths. There's always different reasons for that, but it's not something you'd put down as a saving other than moving away from the accumulated cost of some of those provisions.

CHAIR - It's tidier, isn't it?

Mr VINCENT - Oh yes.

Mr KANOFSKI - If I could add to that - I spoke earlier about management practices in the organisation perhaps not being contemporary and not meeting community standards. An example of 'not contemporary' is the amount of annual leave that people have been allowed to accrue. From a board policy perspective, we are very concerned about that. It will take time to manage out of the business, because there are people with very, very high leave balances. We've got a lot of work to do - you know, we can't send people on leave for six months to clear their leave balance. So, from a policy perspective, we're looking to do that.

It also does have a cost implication. If people accrue leave at a certain rate of pay and then take it five years later as a payout at a much higher rate of pay, then there's a genuine cost to it in financial terms.

As the minister said, though, there's more of a cost in human terms, frankly, of people not taking their proper leave entitlements, which is something that we want to see them doing.

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Mr VERMEY - On staffing, how many people in general does TT support as the business?

CHAIR - Are you including consultants?

Mr VERMEY - Well, the crew, the staff on deck -

Mr KANOFSKI - Each sailing currently has 72 crew on it. That will increase slightly with the new vessels, because they're bigger. All up - I see that Chris is looking for the number, which is -

Mr CARBONE - Thanks, chair. We had 656 employees at 30 June 2025.

Mr VERMEY - That's a lot of families you've got to give confidence to, don't you? There's a lot of people.

CHAIR - Do you want to take a break, minister? Should we take a five-minute break?

Mr VINCENT - I'm alright, thanks, Chair. Happy to keep going.

CHAIR - Okay, let's keep going.

Ms DOW - Minister, some time ago, your government committed to \$100 million of local content on the new build for the *Spirits* - which was a complete fallacy, really, because it was \$60 million worth of 'local' content that was manufactured in Finland. During previous hearings, I think you have stated that you would conduct an independent audit of that local content process. I wondered if you could provide some more information on that, and when you expect to undertake that.

Mr KANOFSKI - Certainly. We've been completely transparent about our concerns about the local content number. There have been a number reported, and we have concerns about that. As you stated earlier, I don't think it passes the pub test. We are going to do an independent audit. I will let the CEO talk about the timing for that and the process for that.

Mr CARBONE - Thanks, chair. Recently, we appointed an independent external auditor to review local content. I expect it will take some weeks for them to audit all the transactions that have occurred. We've asked them to audit not only the transactions but the interpretation of the contract. The contract included damages as well as bonus payments for local content, hence why we've appointed the independent external auditor. I envisage that audit would take up to two months.

Ms DOW - Thank you. I want to understand a little more about the assembly of the gantry that was undertaken in China and whether you actually have people from here who go on site in China and observe that process, and that you have full confidence that once it's assembled here, it will actually fit at Devonport. If you could walk me through what actually has transpired in the time that that was assembled and ticked off ready for installation in Devonport.

Mr KANOFSKI - Thank you for the question. There's a couple of things. There is a company, Bureau Veritas, which is providing ongoing assurance - they are there all the time.

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They've been there observing the construction, because it's not necessarily just the assembly process - you want to see this thing while it's being manufactured, make sure you've got the right quality of steel, make sure you've got the right quality of finishes, all that stuff. There's ongoing monitoring.

Then BMD, the head contractor, and Fitzgerald, the prime subcontractor for this, had people attend in China. It's not really TT-Line's role as principal to do that. We want to make sure we don't run across contractual boundaries in terms of doing the contractor's job for them, because that's not a very sensible thing to do in a contracting sense.

We get a regular report. I'm on the list of people who get a regular weekly report on the gantry from BMD, with all the lines of activity, where they're at, are they on track, off track, anything we're concerned about - all that sort of stuff. I think there's been independent assurance on an ongoing basis. There have been visits by BMD. We're confident that BMD, as the head contractor, has this under control.

Ms DOW - Through you, minister. Do those reports get sent to the government as well?

Mr KANOFSKI - Not at that level of detail. The weekly report comes to me and to a number of other people. Chris gets one, obviously the project director, and the like. We then have reporting at a less granular level. We have reporting that goes to our own internal oversight committee, which I chair, and it has a number of board members on it. It also has Ben Moloney on it - a representative from State Growth - as an independent assurance check. It then gets reported also to - I forget the name of it, but there's a steering committee that's chaired by the secretary of State Growth, which is a more whole-of-government report. So, there's reporting, again, at a less granular level. Then, typically, we have been reporting to a sub-committee of Cabinet, although that's going to be subsumed into the new infrastructure committee and we will report there. There's decreasing levels of detail, obviously, the further you go up that chain, but there is reporting all the way through that chain.

Ms DOW - There's nothing that's been reported thus far that's flagged any concerns with you?

Mr KANOFSKI - There is nothing that's giving us any concern. We raised with the contractor a couple of months ago that we weren't happy with the level of visibility we had over the logistics process, and they responded to that. We had an on-site meeting in Devonport. I attended and the CEO of BMD attended. It was taken seriously from both sides. Since then, we have a much clearer line of reporting. If issues occur, there are forums and regular reporting.

Ms DOW - When you say the logistics, what were those concerns?

Mr KANOFSKI - No, it was just that we didn't have any visibility of their planning for the shipping and the arrival, and things like that. It wasn't that we necessarily had a concern that they were doing the wrong thing. It was just that we didn't have any visibility of it, so we asked for that visibility and we got it.

CHAIR - Minister, I'd like to go to the question of conflict of interest. Whilst this did happen before your time, I think it raises concerns of how this was handled. Do you have any information as to the issue around the previous managing director having contracted Liferaft Systems Australia as part of the local content?

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Mr KANOFSKI - My understanding, Chair, is that it was a company associated with the former chair.

CHAIR - Yes, that's right.

Mr KANOFSKI - I don't have any details other than that. The systems have been provided; they've been paid for. I'm happy to take it on notice to see if we can find information about how that conflict was managed. I don't have any knowledge of how it was managed. I'm aware of it, but I don't have any knowledge of how it was managed.

CHAIR - If, minister, you wouldn't mind taking that on notice, because I think it's inherent in how governance is approached, and to rule out any other conflicts of interest. How are conflicts of interest handled now? Is there a register? Have there been conflicts of interest already in your term?

Mr KANOFSKI - There is a register. I'll talk about the board level, but obviously this happens at lower levels as well. At the board level we have a register of all our notifiable interests that all the board members make. It's updated at each board meeting. If there are any changes to it, then it's published in our board agenda so that everybody can see what all our interests are that are relevant to TT-Line, or even vaguely relevant to TT-Line.

We also have a process at the start of any meeting to ask people if they've got any issues with regards to any items that are on the agenda that day. The only time anyone's left the meeting since I've been there is when the board considered the various processes for whether I should remain the senior responsible officer for the project. I was out of the room while that was discussed because the board looked at the options and concluded that the most sensible approach was to continue with that arrangement. No-one else has left the room due to a conflict in my time, but they would if they need to.

The berth 3 project now has all of what you would expect to see in terms of the normal checks and balances of a project, including registers and recording of conflicts of interest. Chris, I'm not sure if you want to comment more broadly on the organisation rather than at the board level.

Mr CARBONE - Thanks, Chair. Within the organisation, they're certainly recorded by the company secretary and, in essence, we follow the same process as is followed at board.

Mr GEORGE - I'm curious to know - I'm sure there is a figure, which I don't have at hand - of the number of staff and crew you have on your ships at the moment. Are you able to tell me how many of those are Tasmanian or Tasmanian-based? And with the greater capacity of the ships, 40 per cent greater capacity, does that mean that you'll be hiring extra Tasmanian staff for the new sailings from October?

Mr KANOFSKI - I'll start and then I'll go to the CEO. Yes, the new vessels will require a slightly larger crew. So currently, 72 people per sailing, new vessels will be 82 per sailing. The minister helped me with that number this morning. As to where we draw staff from, we certainly draw staff at both ends, but I don't know whether we have that information to hand.

Mr CARBONE - Bear with me, Chair.

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Mr KANOFSKI - He's got a very big book; the answer's out there somewhere.

Mr CARBONE - I don't have the split with me, but we can revert and provide the split. I guess what I would say is, whilst we've tried to prioritise recruitment in Tasmania, it's certainly been a challenge. In particular, I spoke earlier today about some categories of roles, such as an integrated rating role. Given the labour shortage, we've certainly had to go out and place advertisements on SEEK on a national basis, but the priority is always to have roles based in Geelong and/or Devonport as the home port. I guess what I would say is we are listening.

When I took on this role, I had some feedback that we had, for example, no-one in our sales and marketing team based in Tasmania. So we've reacted to that and now have a couple of team members that we've recruited. Certainly, whilst there's no intention to move all the people based in Geelong to Devonport, we are focused on Tasmanians first, wherever possible.

Mr KANOFSKI - Yes, if I could just add to that from a board perspective: we have a clear view that this is a Tasmanian business. As such, we have a preference, particularly at executive leadership level and things like that, for people to be based in Tasmania. So that is our view now. That needs to be tempered with: can you find the right people at the right time and all those sorts of things. But, as a policy position of the board, we have a strong preference for those senior roles to be based in Tasmania.

Mr GEORGE - Thanks. You're happy, minister, to give us those figures on notice?

Mr VINCENT - Yes, we are. That's no problem at all. We've certainly got the male-female ratio, but I didn't see anything in there on the Tasmanian-Victorian.

Mr GEORGE - What's the male-female ratio, out of curiosity?

Mr CARBONE - The male-female ratio is 56 per cent male, 44 per cent female. That's across all employees. At senior management level, 66 per cent male, 34 per cent female.

Mr GEORGE - I hope you're working on that.

Mr CARBONE - Certainly are.

Mr VERMEY - Minister, with new capabilities and quick roll-on, roll-off and new facilities around number three port, have we looked at things like cigarette imports, drug imports? Is there a way of having a better security side of things, either with police or federal or just in that space, which isn't probably so much of the actual ship itself, but in that port facility?

Mr VINCENT - I will get the CEO and the chair to expand on this. It was one thing that I probably wasn't familiar with until I took over as shareholder minister for TasPorts and now TT-Line. The importance of harbour security, biosecurity in quarantine, how important it is in Tassie. I knew the basic principles of it, but certainly the detail in the design of what they need to do. A lot of environmental things that are also built into the new design, I was quite amazed by the thought behind it. Certainly, I will ask the CEO to explain a little bit more there.

Mr CARBONE - It's certainly front-of-mind. We have a security manager; he works closely with Tasmanian Police, Victorian Police, ASIO, other authorities around the country.

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It's fair to say he's in regular contact with all those authorities in relation to the various threats the business faces, but also around the basic security on board the vessels as well. We do have an end-to-end security plan. We've certainly been enhancing that in recent months as well.

Ms DOW - Following on from Mr George's question, I wanted to understand how many apprentices and traineeships you currently have on the ships, and how many you would see that increasing to with the new vessels.

Mr CARBONE - I don't have the split on hand at the moment. As I alluded to earlier, we've been working to increase the number of trainee-integrated ratings, team members. One of the things we're doing is trying to improve our relationship and partnerships with some of those key training providers such as AMC in Launceston. I've met with them several times since I took on board the CEO role.

The reality is that there is a skill shortage and we will need to continue to work, particularly with people like AMC, to fill those roles as we move forward. We do have quite an ageing workforce, and we can provide some statistics on that. It really is important we bring those people through AMC, a great Tasmanian-based provider.

Ms DOW - Minister, do you do any work with local schools around career opportunities with the TT-Line?

Mr CARBONE - It's a great question. Certainly, I've noticed in recent months that it's an area we can improve on. As an example, I've seen other GBEs in Tasmania do a lot more work at school fairs, at fetes, at Agfest, and at community events. It's certainly something we're very mindful of and, particularly as we move into 2026, we see it as a major focus area to try to build pathways into the TT-Line business.

Mr KANOFSKI - Just on that, it's not a TT-Line example, but in a previous life involved in a roads authority, we recognised that if we wanted to have more women engineers, then more women needed to do STEM subjects in school. Therefore, you needed to start right back at that point in time. It's not lost that you need to start very early in the process of getting people in the right frame to become future employees. It's something that I'm certainly very passionate about. I hope that we will do a lot more on it in future years.

Ms DOW - Earlier today you spoke about the process of the changeover from the existing vessels to the new vessels. You didn't give a timeframe for that. I wondered if you could update the committee on that.

Mr KANOFSKI - What we talked about is that we think there will be a non-sailing period. What we're saying at the moment is that we think that will be a maximum of one week. We hope that it will be less than that. As our planning firms up we will be more exact about that but, at the moment, we're saying it could be up to a week where we don't sail. We're looking at all the options. Without wishing to second-guess the work the CEO is doing, we will clearly look at whether you can change one over versus the other one over. All those options are being looked at to try - but firstly, if we don't sail, we don't get revenue, so that's a good reason to sail. The second reason is we don't want to inconvenience our customers any more than we need to.

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CHAIR - Mr Kanofski, regarding sponsorship, you're finishing sponsorship arrangements with the Kangaroos and there's the JackJumpers. I'm wondering about the value for money in relation to that. I understand the JackJumpers are a very Tasmanian brand but how do you measure the value in relation to those sponsorship arrangements?

Mr KANOFSKI - I think it's fair to say, historically, it's not something the business has been strong at in terms of managing the value. I guess that it's a personal observation - and I say this without any disparagement to North Melbourne - but I'm not convinced about that sponsorship. What I can say is what we'll be doing going forward, which is, first, I suspect we will be more focused on community-based sponsorships than things like the North Melbourne sponsorship. Second, we will be measuring the effectiveness because it hasn't - to the best of my knowledge, CEO, from anything we've come to find that - been a feature. Is that correct? I hope that's correct.

Mr CARBONE - That's correct. Certainly, the North Melbourne sponsorship, as an example, did give the *Spirit of Tasmania* significant brand exposure. But, as the Chair said, we will certainly review those kinds of sponsorships going forward to ensure they represent value for money, and also whether or not they translate into additional people coming to Tasmania on the *Spirit*.

CHAIR - Okay. Can you talk us through the changes in gambling revenue with pokies?

Mr KANOFSKI - We don't have any poker machines.

CHAIR - There are no pokies on the TT-Line now?

Mr KANOFSKI - No, there are no poker machines on board the vessels. There hasn't been for some years.

CHAIR - Alright, I'm behind the times.

Mr KANOFSKI - No, and we have no intention of reintroducing them.

CHAIR - And the asset is at Water Edge or Edgewater?

Mr KANOFSKI - That was sold before my time, but sold.

CHAIR - And what happened to the money from that sale?

Mr KANOFSKI - Well, it's part of the cash flow of the business.

CHAIR - Okay. So that was only sold last financial year, wasn't it?

Mr KANOFSKI - Not in the last financial year. It must have been the year before because it's not in these accounts, I don't think, is it? No, it was the year before.

Mr GEORGE - You will have to excuse me, Chair, I have a meeting in a minute. It does occur to me, listening to you talking about the changeover period and the non-sailing days, that that sounds extremely optimistic. Obviously, there's going to be engineering crew changeovers

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and then staffing changeovers and training on the new ships; anything from running the galleys through to staffing it and so on. A week of non-sailing seems extremely short term.

Mr KANOFSKI - I will allow the CEO, but one of the things is we're using the opportunity - particularly with *Spirit IV* being here - to fast-track some of that training. Obviously, you need to get the timing of training right, because there's no point in training someone a year before they have to do something. The fact that we have one vessel here and we will have another vessel here before mid-next year, allows us to do some of that training while the other vessels are still in service. There's a cost to that clearly, because again, you're paying people to do things, but we've got a very big focus on getting that non-sailing window down to the shortest period that it can possibly be.

Mr CARBONE - Thanks, Chair. We've got a number of team members with long corporate memories. In fact, many team members were involved in the original changeover to *Spirit I* and *II*.

Mr GEORGE - You have an ageing population.

CHAIR - But then you can't answer some of our questions. So, that seems very strange, but anyway.

Mr CARBONE - They assure me that when we changed over to *Spirit I* and *II*, that was done within a 24-hour period, which is why we believe the seven days is conservative.

Mr VINCENT - Some of the training was done on the way out as well for the crew to familiarise themselves with the vessels. There was certainly a lot of people on board doing bits of training while it was here in Hobart, which is fascinating. It was good to talk to some of the crew that had been involved with bringing the ship out and what they'd learnt about it and how much they enjoyed that experience. There has been a lot of familiarisation with it as we're going through the period.

CHAIR - Mr George, if you leave, we won't have a quorum. I've just texted Ms Johnston, but haven't had any response, so do you have somebody who can replace you please?

Mr GEORGE - I'll let my people know -

CHAIR - You will let your people know. Thank you.

Mr GEORGE - Yes, I'll try.

CHAIR - Mr Vermey, before you go.

Mr VERMEY - EVs: I had a good mate who's a captain who runs salvage operations all around the world and has recently spent five weeks off the EU putting out a ship full of EVs. A couple caught on fire which progressed to other EVs. I had not thought of it until this person sent me an email and I thought, what procedures have we thought of, and, ongoing, how do we possibly combat that? We've seen on planes, et cetera, where batteries and stuff are catching on fire.

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Mr KANOFSKI - Through you, chair, I'll let the CEO answer. We are absolutely alive to the risk. Of course, it's going to be a growing risk because the number of EVs is going to grow, not shrink. But we are very alive to the risk. I'll let the CEO talk about how we're managing it.

Mr CARBONE - I agree, the board and the management team are very focused on the risk associated with EVs and batteries. We actually have a marine subcommittee of the board, and they've asked for an independent review of transporting EVs on board the ship. We're currently reviewing our policies and procedures associated with those. At the moment we do tag, individually, EVs and hybrids for that matter on board the vessels.

What I would say in relation to some of the more publicised ship fires in recent times is a lot of those fires have involved what I'd call 'car-carrying ships', and they often have CO₂-based systems. Our ships have a deluge-based system where we can simply flood the decks with water. As I understand, water is the most effective way to put out an EV fire. Certainly, the operating procedure on the new ships is such that we would flood the decks with all our fresh water and then we'd simply pump salt water from the ocean, which is an almost endless supply onto those decks and flood them. That's certainly something that we're working through now.

The team's been focusing on batteries more holistically. We're trying to review batteries on board caravans, batteries in e-bikes. It's certainly something that the marine board subcommittee and the marine operations team are very focused on.

Ms DOW - Through you, minister. Chair, you said that you're looking at more sophisticated ticket pricing models. I wondered how you're going to protect Tasmanian consumers from price shocks. Will they be impacted? How are you going to keep the prices low for Tasmanians? After all this, I think they deserve it.

Mr KANOFSKI - Our interest is in getting the most people on the ship. As the CEO said earlier, the movements in price we've seen at this point are down, not up. But yes, we will look at the whole model for pricing. We pretty much run now a high season and low season. It's not been a very real-time pricing. It's not been particularly targeted at certain parts of the market. When I talk about sophistication, that's what I'm really talking about. How do we target our service to the right people at the right price at the right time.

I don't think you do that by saying, well, here it is. We've got these two prices: high season and low season. We're a capacity seller. Now we're going to have a lot more capacity to sell so we will be looking to target our marketing and our pricing at maximising the number of people on the ship and the number of vehicles on the ship.

Ms DOW - It might've been mentioned during this morning's hearing, correct me if I'm wrong, about the fact that people have great difficulty getting onto the *Spirit* now. For example, if you try to book for July next year, it's hard to get on the ship. Then the other dilemma that you have is, obviously, you've got decreased passenger numbers as well in your report. How does that work?

Mr KANOFSKI - What we have as a shortage on the current vessels is a shortage of high-height capacity. When we talk about the current vessels, what we don't have is an overall capacity problem, if that makes sense. What we have is a capacity problem in a particular

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segment. Thankfully, the new vessels will substantially increase the amount of capacity in that regard. Clearly from our perspective, where we are concerned about passenger numbers being down slightly and flat and, as I said, we're not sure whether there's a bit of an overhang of people delaying journeys so that they can go on the new ship; but we will be marketing hard, in terms of the new ships and encouraging people to avail themselves of that experience.

Mr CARBONE - If I could add, Chair, one of the big limiting factors on the current ships is also the lack of cabins. Our customers tell us very clearly that they wish to travel, particularly overnight, in a cabin. We often find ourselves in a situation where there's still meterage on the ship and a lack of cabins, hence the additional cabins on board the new vessels will also help alleviate those concerns you've rightfully pointed out.

Ms DOW - The other concerns that have been raised, through you, minister, is that you're thinking that there won't be day sailings on the new vessels. I know through my work with local tourism operators in the north-west in particular, that that is of a concern. Could you provide some clarity around that, please?

Mr CARBONE - Yes. I hope we run day sailings on the new vessels, because what that will mean, is that we've sold all the existing capacity of the new ships. However, we simply won't be able to economically run those new ships on day sailings if there's no demand. Do we hope to operate them? Absolutely.

Ms DOW - You have all those new recliners that you will need people to sit in; you will need those to be utilised.

CHAIR - Minister, just to go back to costs and cost blowout in relation to delivering this project and the fact that it's been so far behind time, it was meant to be delivered in 2021 - we won't rake over old coals - but what sort of conversations have you had with your federal counterparts in relation to ensuring that the ferries will be in operation?

Mr VINCENT - I probably don't fully understand the question that you're aiming at there. I might ask for clarification. Being Tasmania, we have very little communication back to federal government on this issue. In the short time, which is only 11 weeks now that I've been in the role, the concentration has been on the reporting process and making sure Terminal 3 is on the way. Is there something else you'd like to know?

CHAIR - I know Mr Kanofski said that there are other ways of getting freight and passengers across Bass Strait, but this is a critical part of the National Highway. I'm curious to know what sort of conversations you or your predecessors have had with the federal government?

Mr VINCENT - Thank you, for the clarification. Yes, we've got ongoing conversations happening at various levels regarding the freight equalisation, which is a major part of what we do. I will ask the chair if there's anything else that he's aware of that may be happening.

Mr KANOFSKI - No. We don't have any contact with the federal government because relations between the governments are a matter for governments, not for us. We certainly receive revenue from the freight equalisation scheme and it's a substantial part of our revenue, comes out of the freight equalisation scheme that is provided by the Commonwealth.

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CHAIR - Okay, and that's in the annual report?

Mr KANOFSKI - It would be in the annual report. I think it's - CEO, help me - it's somewhere in the order of 19 per cent of our revenue.

Mr CARBONE - Closer to 15 per cent, chair.

CHAIR - Total revenue. Is there any consideration required by the company in relation to competition policy, so anything that needs to be considered, with how you set your fares and so forth.

Mr KANOFSKI - Not especially. As I say, we don't have market power in that. We don't have a capacity to compel people to use it. The freight market is incredibly competitive. There are alternatives to our service in the tourism market. We're certainly, as all businesses are, well aware of and are meeting any competition law requirements, but we don't have market power. Therefore, it's not an issue that has a high degree of attention from us.

CHAIR - It's something that you don't have to consider when you're setting new fares?

Mr KANOFSKI - We'd certainly take advice, but my belief is that we are in a competitive market for both services. As such, I don't think there will be competition issues with our pricing. I mean we would always take advice on that just to make sure.

Ms DOW - You spoke before about the importance of promoting Tasmania on the vessels as a floating billboard. What initiatives are you putting in place around promoting tourists to turn right rather than left when they come off? They disembark the ships and get out across the regions, which is primarily what we want the *Spirits* to do and encourage regional dispersal.

Mr KANOFSKI - I will let the CEO talk to that because he's heavily engaged with the tourism sector.

Mr CARBONE - Thanks, Chair. We've been working really hard to rebuild our relationship with our tourism partners as we spoke about earlier. In terms of those key relationships, one of them is with Tourism Tasmania. Certainly, in the time I've been in the CEO role, we've been working more closely with Tourism Tasmania. We've been sharing data and I think that's also really important to then understand the disbursement through that data.

Ms DOW - Minister, there was no sharing of data prior to that?

Mr CARBONE - I believe there was sharing of data, but certainly not to the same extent we've seen in recent times. We've also been working with both TICT, but all the regional different tourism bodies to really re-establish those relationships, to listen, so certainly been getting a lot of feedback.

In addition to that, myself personally and the leadership team, have often been standing in the lines talking to customers as they're checking in or embarking from the ship and listening.

In terms of the data we've had shared with us from Tourism Tasmania, it says that the average length of stay for tourists coming to Tasmania on board the vessel is significantly

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longer than someone who flies in by aircraft. Certainly, we would continue to support disbursement into regional areas including the west, north-west and the other regions.

Mr VINCENT - Chair, can I just add to that? In my role as Infrastructure minister as well, becoming more increasingly aware of some of the things we may have to look at with the increased number of vans, et cetera, travelling on the roads with pull-off bays and overtaking lanes, and making sure they're in the right place. It is an area that we're gathering more information on to appreciate. I've been to New Zealand a few times. I've seen that they have some good systems over there that I'd like to think that we could slowly, as we do our infrastructure work around the state, work in with the numbers that TT-Line will be bringing into the state.

Ms DOW - Thank you. I will continue on from that then, Chair, to ask you whether you think we are prepared infrastructure-wise, as your government announced the Spirit Preparedness grants to work with local government and tourism operators around getting some of those things in place that are required for caravanners? That's not going to be announced, it's my understanding, until the end of December. Do you think that gives enough time for that infrastructure to be in place for when our *Spirits* finally arrive?

Mr VINCENT - It's a long-term funding option that you have on that sort of thing. Parks, as I understand, has already started making adjustments for visitation to some of those areas, and their money is available for that. I will be having more meetings with other departments over coming months and early into next year - and also with tourism operators, I should say - to try to ascertain that we are on the right track of getting those things in place.

I certainly don't have enough knowledge to give you an exact answer on it yet, but it is high on my list of priorities with one of my other ministries.

Ms DOW - Thank you. The other question that I wanted to ask you, minister, is: your government has cut funding to Tourism Tasmania's destination marketing. I wanted to understand if you're concerned, as the responsible shareholder minister for TT-Line, about the impact that will have on generating interest and bringing people to Tasmania via the *Spirits*?

Mr VINCENT - I certainly wouldn't like to comment on somebody else's ministry. What I am confident about is the work the CEO has been doing with Tourism and looking at the spend. What has been encouraging is to see the way Chris and his team have pulled apart the numbers of where our target markets are, the percentage of people out of Victoria that come, New South Wales, so that we can maximise our spend into the right areas instead of a blanket campaign. It will be a lot more articulate and pointed on where we do that money, which has a much better effect for less than just a blanket campaign. I ask the CEO to expand on that a bit more, please.

Mr CARBONE - Thanks, minister. One of the things that the team has done in recent times is worked on a *Spirit* preparedness video with TICT to help the industry prepare. We've also got the Tasmanian ambassador program with TICT. Again, we're trying to work more closely to ensure we are prepared.

CHAIR - Did you want to answer a previous question?

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Mr CARBONE - Yes, Chair, if I may. I've got the data now in terms of the splits of geography of the team members. We have 380 team members based in Tasmania, 250 in Victoria, and approximately 26 of other regions.

Ms DOW - I wanted to go back to that funding commitment. At the last election - which was just a few months ago, minister Vincent - you made a commitment of \$38 million across the out-years to Tourism Tasmania's visitation marketing to get people here to Tasmania. There's only \$10 million that's in there for the coming financial year. Will you commit to working with the Treasurer and with the Tourism minister to ensure that the money that was committed is across the forward Estimates, to provide certainty when it comes to attracting more visitors to Tasmania to do what we need to do, which is increase the capacity on the *Spirits*?

Mr VINCENT - I can certainly assure you that we are talking and discussing what needs to happen to make it very detailed and bring those people to Tasmania.

Ms DOW - So, you won't commit to trying to ensure that funding is there, minister?

Mr VINCENT - I will commit to having the discussions to make sure that the appropriate amount of money is there to do what we need to do.

CHAIR - I'd like to ask a question in relation to the dual fuel, using LNG versus diesel. What is the reduction in emissions comparatively from diesel to LNG?

Mr CARBONE - If I could take that question on notice, we can revert with the actual exact amount of carbon delta between the two fuels.

CHAIR - Yes. And, if you're using both diesel and LNG, like having dual fuel engines, is the fuel used in the same engine, or are there different sort of engine capacities as well?

Mr CARBONE - My understanding is the fuel goes through the same engines, just the two different fuel sources. We can run either straight diesel, or we can run straight LNG, or a blend of both. It's certainly envisaged that under different circumstances, we will operate on different fuels.

CHAIR - So it will be dependent on weather, or what fuel is available?

Mr CARBONE - Correct, both of those.

CHAIR - I think when I did a tour, when I went around with you, Mr Carbone, there was a new tank being put in - was that right? - for LNG?

Mr CARBONE - Thank you for the question, Chair. When you came on board the vessel *Spirit IV*, it still had reserve diesel tanks on board the ship. There were eight, what I'd call iso tanks. They were temporary in nature and they were designed to make sure we could safely bring the vessel out from the Northern Hemisphere to Australia, and in particular crossing between South Africa and Fremantle. They were temporary diesel tanks that have now been removed from the vessel. We have every intention of doing the same thing for *Spirit V* to ensure we can safely transit out to Australia.

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Mr KANOFSKI - If I could add to that, in the journey out we tested the vessel on both fuels, marine diesel oil and LNG. We want to make sure that the vessels can operate on both the gas and diesel. As Chris said, the vessels are designed to run 240 kilometres backwards and forwards across Bass Strait, but there are some very long stretches on the journey out and that was why the additional fuel tanks were put on board, to ensure safety.

Mr VERMEY - Minister, through wanting to drive that caravan group into Tasmania, we want them to stay longer and get around the place, so have we been targeting in advertising, et cetera, into South Australia, Victoria, the bottom end of New South Wales? Are there more incentives to potentially attract them over in the first year so that word of mouth goes back to encourage more to come? Is there a way of doing that?

Mr CARBONE - With some of the market research collectively between Tourism Tasmania and our internal team, often we're finding that people, particularly in the caravan sector, want to come to Tasmania at some point. Often that will be some time in the next three years. Often people have an intent to come to Tasmania with their caravan but it's just not locked in. One of the things we need to do, once we have the availability of those new vessels, is promote that. It's certainly been a contained and constrained offering based on supply constraints, hence why we want to promote that offering. We're certainly listening to industry.

In terms of Visit Northern Tasmania, we have the CEO, Tracey Mallett, who's a very strong caravan advocate. As an example, she's been giving me direct feedback about what the industry wants from us.

Ms DOW - I would like an update on the roadworks that were required to be done, in partnership with the Devonport City Council, in and out of the site to ensure that there's better traffic flow. Could you provide me with an update on that, if there's any issues around the implementation of that or the approvals process, minister?

Mr VINCENT - There is certainly a fair bit of work that is needed to be done there. The original concept was identified with the Devonport City Council, and State Growth has constraints in certain situations, so I will ask the CEO to expand on that. Paul Kirkwood, who came across to do a lot of the work, identified that as a something that needed to be rectified and I believe that -

Ms DOW - To be clear, the original concept wasn't going to be the right one.

Mr VINCENT - There were some issues identified with that, if there was a hold up for any reason. The easiest way that I'd put it is with the overflow that would happen in a situation needed to be changed on the flow through East Devonport and around the site. The CEO might like to expand on that.

Mr KANOFSKI - On the way through, I would add that State Growth has been running a coordination process on that because it's a combination of a state road, the local roads, TasPorts and ourselves. We are a source of traffic, but we're not the only source of traffic. My understanding of that process is that they've had a number of meetings and everybody is now settled on what the solution is. As far as I'm aware, there are no outstanding issues.

Mr CARBONE - I have regular contact with Alison, the Mayor of Devonport and the CEO there. They certainly haven't raised any issues in recent times. I acknowledge many

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months ago there were some concerns around noise and they were addressed. But from a traffic flow point of view, I am not aware of any recent concerns. In fact, we work collaboratively to encourage the council to include SeaRoad on the working group and that's been a very collegial way of operating in the precinct.

Ms DOW - When will the works commence on site then?

Mr KANOFSKI - I have to take that on notice.

Ms DOW - Could you take this on notice as well, then: the completion date?

Mr KANOFSKI - Happy to do that.

Ms DOW - There haven't been any tenders awarded or anything? It's not got to that point yet?

Mr KANOFSKI - Not that I'm aware of, but I'm happy to take it on notice.

CHAIR - Mr Kanofski, in relation to the worker's compensation profile, can you give an indication as to where the company is currently sitting in relation to worker's comp claims and how they've been settled?

Mr KANOFSKI - I will let the CEO speak to this in detail. What I can say is, as a board we are concerned about the level of injury in our business and we are also concerned about the management of worker's compensation claims. It hasn't been contemporary. It hasn't been in accordance with modern management practice. At a policy sense, we're committed to bringing the organisation up to date in that regard. I will let the CEO talk more about the detail of that.

Mr CARBONE - In the last financial year we had 54 worker's compensation claims that were opened. The 54 consisted of: 25 related to strain and sprains; 10 related to soft tissue injuries; two related to burns; two related to skin and eyes; and then the balance of 15 related to 'other'. This morning, I was asked about psychological injuries, and certainly of the 'other', two of those 15 related to socio-psycho issues.

CHAIR - Only two.

Mr CARBONE - That's my understanding.

CHAIR - That's quite remarkable, really.

Mr CARBONE - Having said that, chair, we acknowledge that we can and will do more. In part, that's why we've just launched today the *Spirit* team member culture and people survey. We're certainly looking forward to receiving that feedback in the weeks to come.

CHAIR - What sort of relationship do you have with unions representing workers?

Mr CARBONE - We'd characterise it as a positive working relationship. If I can talk about the culture survey that we've just released, it was important to me that we got as high a participation rate as possible. Based on past lived experience, it was important to ensure that the union was supportive of that culture survey taking place. The team worked hard with our

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union counterparts to ensure they were supportive of the survey we've just launched. I guess I would characterise it as positive working relationships.

CHAIR - Have the unions raised any concerns in relation to what they want to see tackled?

Mr CARBONE - At the moment we have a number of expired enterprise agreements. We're working through a consultative process with our two key unions over our three EBAs. We are listening and certainly will work consultatively together to try to solve any of those differences. Certainly, in periods gone by, TT-Line management flew a number of union leaders to Finland in order to inspect the vessels and try to pre-empt and proactively deal with concerns they had regarding the implementation of the new ships.

Mr VERMEY - With the other ship coming out, the crew for that, will that be a different crew that's potentially been training on the ship that's here now to be part of that coming back? Is that all going pretty much to time, it's all on schedule?

Mr KANOFSKI - I will let the CEO speak to it, but we don't have any shortage of crew who want to make that journey. If you're a seafarer, I'm sure it's a very attractive option, but I will let the CEO speak to the detail.

Mr CARBONE - I concur with the chair. It's certainly something that many team members have expressed an interest in. What's really important is we use the period between now and the October go-live to train as many team members as possible. Certainly what we've been doing is rotating through the new vessel being *IV* and *V* and we certainly plan to do more of that in the coming months. In short, I suspect it will be a combination of crew that have been on board one of the new ships and crew that have not been on board.

Mr VINCENT - It's quite interesting, the logistics of ports that you - and the route that you have to take and steaming time - I guess that's still a term, is it, steaming time? - and the different fuels, as the chair touched on before - that trials were done with both and there is a - halfway through the trip the crew does full swap over - pretty well a full swap over halfway out, I think. The other thing that was very interesting to me was a lot of people tracked it and I think those letters in the paper to ask why it diverted this one that way. No different to a plane diverting around storms, or no different to a ship with rough seas or anything. You don't want to be punching into the sea when you can use the weather much smarter. So, there are diversions on the way out as well.

Mr KANOFSKI - Although I am assured by Rear Admiral Steve Gilmore, who's a board member who was on board the ship from Fremantle to Hobart and coming across the Bight in some very, very rough weather that - in his words, and he's a seafarer, I'm not - he said the ship handled beautifully in really rough weather, which is important, because we don't cancel sailings due to rough weather as a matter of course. That's not to say we would never cancel one but we sail across the Strait in pretty heavy weather at times. That's important to people - being able to get to where they need to get to.

Mr CARBONE - Minister, if I may share with the committee - it may surprise you, committee, but some of the team members are very attached to the existing vessels. It's been their home for the past 23-plus years, and some of them have had the same cabin for that whole time. Certainly, it is mixed emotions for some of the team. There's genuine excitement about

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the new vessels, but some team members are very keen on saying a proper goodbye to the existing vessels when they complete their final run.

Ms DOW - Just on that, what do you have planned for that? Do you have some type of celebration or something with staff?

Mr KANOFSKI - There will be plans and they will be announced in due course, would be my answer to that.

Ms DOW - The other question I wanted to ask you, following on from Ms Burnet, was how often do you meet with the union representatives, as an organisation?

Mr CARBONE - We have an industrial relations manager. He would speak to the unions on an almost daily basis, I would suspect. We've got structured meetings in place between the marine operations management and the unions.

Ms DOW - Thank you. I want to take you back to marketing. This morning, I think you said that you have \$14 million in your budget for marketing and that had remained steady for a long while. Given you've got decreases in numbers, given you've acknowledged the reputational damage that's been done through the ferry fiasco, what are your intentions to increase that, to make sure that you're maximising every opportunity to ensure that people know about our new *Spirits*, know about Tasmania, and we get as many people on them as possible?

Mr KANOFSKI - We believe as a board and as a management that better targeting of that spend is what's required and that's what we believe. If we believe there's a business case for more marketing because it will attract more people and therefore will more than pay for itself, then absolutely that's something we'd consider. As I said, we think there's a fair bit that can be done just in retargeting the existing spend before we go to new spend.

Ms DOW - How many years has it been, 14?

Mr KANOFSKI - I don't know. I'd have to take it on notice. It's relatively steady in the two financial years that are in this annual report, but we'd have to take it on notice.

Ms DOW - Thank you. I will pop it on notice. You spoke before about Savour Tasmania doing some hospitality on the ships to get people on - obviously to inform them about what's available across Tasmania and to provide TTasmanian products. Will you do something like that whilst *Spirit IV* is berthed in Geelong, as a bit of a taster for people to encourage people to get on the ships and promote what's great about Tasmania?

Mr CARBONE - The reality is that at the moment *Spirit IV* is at anchor, so there's limited opportunities to do that. Certainly, when *Spirit V* comes out to Tasmania and hopefully *Spirit IV* gets onto a berth in Geelong, it will give us opportunities to do that. As I hopefully articulated earlier, the sneak peeks were incredibly well received. One of the things that we will do is do more of those and extend them to both community groups, school groups and hopefully have a far extended period in the build-up to the go-live, next year.

Ms DOW - I know that you said before that you don't target international tourists. If there was an international community that you wanted to target, what would that be? Where do you think there is an opportunity to grow the market internationally for TT-Line?

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Mr CARBONE - As a recent example, we've had the CEO of Tourism Tasmania in India - certainly that's one market where we think there might be some international growth from. But we are not the international experts, hence why we are absolutely listening to Tourism Tasmania.

Ms DOW - Have you given any consideration to opening up the vessels in Leith for people to have a look and promote about?

Mr CARBONE - We haven't considered that at the moment. One of the reasons for that is it's in a secure port. In order to get into that port, you need to show photo ID; it's a maritime secure area. It's not possible at the moment given where the vessel is moored.

CHAIR - I have a question about log trucks. I wonder if there is any preferential treatment with log trucks going on to the current vessels, over tourism or other freight?

Mr KANOFSKI - The CEO can comment further, but we don't preference one - we certainly make broad allocations of space between the freight and the tourism markets, because we need to do that to in order to manage bookings, but we don't preference particular styles of freight.

CHAIR - So it's a first-in, best-dressed?

Mr KANOFSKI - Regular customers would get some preference in that, but no, not a particular style of freight. Chris?

Mr CARBONE - Further to the chairman's comments, we will check and revert with hard data, but certainly I'm not aware of any logs being transported.

Mr KANOFSKI - That was actually going to be my comment, I don't think we do transport any, but I can't say that for sure.

CHAIR - Alright, so you will take that on notice?

Mr KANOFSKI - Yes.

CHAIR - In relation to the fit-out: my understanding was that there were concerns with some of the tablespots and bed sizes. Can you clarify whether those had to be redesigned?

Mr CARBONE - As part of the soft launch sneak-peeks in Hobart on *Spirit IV*, we had some people from all-abilities groups come on board the vessels. That was a great insight for me and the leadership team. They certainly gave us some feedback not only around some of the positive all-abilities features onboard the new ships but also gave us some feedback on things we need to modify. As an example, it was identified that we didn't have enough tablespots at the right height for people in wheelchairs. That's feedback we've taken on board and are acting upon and we will address those prior to the vessels going into service.

CHAIR - That's great. It's good to learn from those examples. Were there any modifications that were required with the original specifications of the fit-out?

Mr CARBONE - Not that I'm aware.

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CHAIR - Not that you're aware? Okay. Any other questions?

Ms DOW - One last question to the minister. Did you know that the Chair was going to table this document today?

Mr VINCENT - I received it this morning myself.

Ms DOW - Did you know it was going to be tabled here, in the hearing?

Mr VINCENT - No.

Ms DOW - You didn't know that? Okay, thank you.

CHAIR - Any other questions? We've come almost to the end of your time. If there are no more questions, is there anything else? We've come to the end of the time now. I thank the witnesses and minister and thank the committee.

We resume at 8.45 a.m. tomorrow morning, which is the Tasmanian Irrigation scrutiny. Thank you everybody.

The committee adjourned at 4.00 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Port Arthur Historic Site Management Authority

Thursday 27 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Ferguson
Mr Bayley

WITNESSES IN ATTENDANCE

Hon Madeleine Ogilvie, Minister for Arts and Heritage

Port Arthur Historic Site Management Authority

Dr Jacqueline Jennings
Chair

Will Flamstead
Chief Executive Officer

David Nelan
Director of Corporate Services/Chief Financial Officer

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Port Arthur Historic Site Management Authority

CHAIR (Mr Fairs) - The time being 2.15 p.m., scrutiny of the Port Arthur Historic Site Management Authority will now begin. The time scheduled for scrutiny is 45 minutes. Members will be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or chair of the board, and the question handed in writing to the secretary.

I invite the minister to introduce the people at the table, their names and positions, and to make a brief statement to the committee.

Ms OGILVIE - Thank you so much. I will do that. We have at the table Dr Jacqueline Jennings, Chair; Will Flamsteed, CEO; and David Nelan, CFO.

I'll roll straight into a quick opening statement, because I know we don't have a lot of time. Thank you.

Chair, as Minister for Arts and Heritage, I'm pleased to be here today alongside my esteemed, high-performing team from the Port Arthur Historic Site Management Authority (PAHSMA). PAHSMA is entrusted to conserve and manage three iconic sites within the Australian Convict Sites World Heritage Property: Port Arthur Historic Site, the Coal Mines Historic Site, and the Cascades Female Factory Historic Site. Conservation of these sites brings a great responsibility for our state, requiring the commitment of considerable financial and human resources underpinned by world-class professional knowledge.

In addition to fulfilling these responsibilities, in 2024-25 PAHSMA was able to generate 79 per cent of its own income. The Port Arthur Historic Site is the fourth most-visited tourist attraction in Tasmania, and with 333,322 day visitors in 2024-25, it is easy to see why. For 2024-25 the ever-popular Ghost Tour at Port Arthur achieved close to 21,000 participants. Investment in conservation, infrastructure, education and interpretation, operating expenditure during 2023-24 at the sites totalled \$9.983 million.

A key focus of the board and executive over the past year has been the progress of the PAHSMA Strategic Plan 2023-28, as it represents the key to future success by setting a clear and sustainable future direction. Significant progress has been made, with six Stage 1 projects complete and multiple in progress. Stage I projects include the Heritage Management Plan, customer journey, revenue generation, and team support.

PAHSMA continues to play a critical economic role as one of the two major employers for the Tasman region. In 2024-25, PAHSMA engaged with the Tasman District School to facilitate work experience and promote seasonal employment opportunities for students. PAHSMA employed numerous school students during the peak visitation season.

Notably, PAHSMA has contributed more than \$12.6 million to either Tasmanian-based or national businesses with offices and staff in Tasmania, in accordance with the government's Buy Local guidelines. This represents 85 per cent of purchases being made from Tasmanian or national businesses with office and staff in Tasmania.

Additionally, PAHSMA education programs also continue to be popular, with both the Port Arthur and Cascades Female Factory sites hosting approximately 6380 students.

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The Tasmanian government also committed close to \$16 million to PAHSMA to support water and sewage infrastructure reform as part of the 2024-25 Budget. This work is underway, with work expected to be completed in September 2028.

In conclusion of the shorter opening, thank you to the fantastic board and management, everybody there. I love it very much. You all continue to display the leadership that we need to ensure Tasmania's past has a strong future. I'd also like to acknowledge and thank everybody across all our wonderful sites, and I look forward to seeing everybody soon. Thank you.

Mr MITCHELL - Minister, through you, how many tourists does the Port Arthur Authority see each year who nominate themselves as 'self-driving'?

Ms OGILVIE - That's a good question. I would like to ask Will Flamsteed if that is a question for him?

Mr FLAMSTEED - Sure.

Ms OGILVIE - Just before I go on, I'm happy to have very much a free flow. If it's something you specifically would like me to respond to, please do say, but otherwise just here to open the books. Thank you.

Mr NELAN - Self-drive tourists, Brian, would be approximately 75 per cent of our visitors. We generate around about 20 per cent to 25 per cent in trade tourists. They can be self-drive as well. We don't usually break it up in that sense, because we work off total tourism numbers. It's around about 75 per cent.

Mr MITCHELL - Have you got any insight into the mismanagement of the *Spirits* ferries, what impact that's had on your visitation revenue for self-drivers?

Mr FLAMSTEED - PAHSMA will welcome the new ferries when they arrive. We will certainly see an increase in self-drive visitation from there. It's not for me to comment, as the CEO of a Government Business Enterprise, on the management of another GBE.

Mr MITCHELL - Give it a go.

Mr FLAMSTEED - I don't think that's our role, Brian, but I think what we do is certainly support the arrival of those new ferries.

Mr MITCHELL - Thank you. Last question, Chair. The authority has reported an operating loss of \$1.518 million, which is significantly higher than both the budgeted loss of \$0.677 million and the prior year's loss of \$0.6 million. Would you suggest that the tourist visitation deficit was due to self-driving tourists being unable to use the ferries?

Mr FLAMSTEED - No, I wouldn't say that. What I would look at is - and I will have David go through a few of those numbers for you as well, Brian - but the impact that we're seeing in our ability to attract visitors is related nationally. We're seeing a downturn in visitation nationally last financial year. We're seeing that grow again, which is fantastic. I will get David to take you through some numbers in a sec, but the cost of -

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Mr MITCHELL - Can I have some clarification? My understanding is there was a record number of summer visitation to Tasmania over 2024-25, and yet you've reported a bigger-than-expected loss. Am I wrong in that?

Mr FLAMSTEED - No, you're correct in that. Visitation is changing, and it's changing quite dramatically. The people who may have come to Port Arthur in the start - let's look at Chinese visitation. The nature of the Chinese market has changed quite dramatically post-COVID. That's starting to rebuild again; we're seeing those numbers come up again, as an example.

Mr MITCHELL - Alright, thank you.

Mr FLAMSTEED - Do you want to just touch on some figures there?

Mr NELAN - Yes, we had a 7 per cent shortfall in visitation, which impacts our commercial revenue by \$1.277 million. That commercial revenue goes back in towards our conservation programs. Because of that, our participation rate for the Tasman Peninsula, in the number of visitors that come to Tasmania, has actually diminished over a period of 10 years.

The visitors to Tasmania have more choice now in their timeframes that they are here. They have a smorgasbord of choice with MONA, plus there is a lack of quality accommodation on the Tasman Peninsula. The tourists are making choices about where they go, and we are still there, attracting visitors to the peninsula and supporting that local economy. But that visitation we are highly sensitive to, so any drop-off in visitation as people go to Dark Mofo or MONA is great for the state, but we feel that.

Mr BAYLEY - Thank you all for coming. Thank you, minister. I have a question that goes to your last two annual reports in relation to the employee satisfaction surveys. Last year you had a target of 70+ in terms of employee satisfaction, and the result was 60+. This year, the target is 60+ and there isn't a report against it. So, I guess, the first question is that we obviously want to achieve targets in terms of employee satisfaction. We normally try to lift the satisfaction of staff, as opposed to lower the target. Can you explain why the target has been lowered from 70 to 60?

Ms OGILVIE - Thank you, I will take that through me, and perhaps that will be for you, Will?

Mr FLAMSTEED - Thanks, Mr Bayley. There was no State Service employee survey done last year, so we can't report on it; that's why you don't see that. We work very hard on our employee satisfaction.

I will probably take you back just a little bit. Maybe five-plus years ago, the board began the journey of cultural evolution and development for the organisation because of some of our employee satisfaction surveys. In the past three years that I've been at the site, we've invested and focused very heavily on some of those numbers, in particular around bullying on site, so we take that on board. We're a regional employer; we have issues that we need to address. We've spent the last few years looking at a cultural leadership program to enable our managers better to manage our staff.

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We've improved, through our strategic plan, a number of services that enable our staff a far more efficient process of when they're on site. So, we are working hard at that. You're not going to get a change in a year. You are going to get a change over a number of years and the Authority's investing in that heavily.

Mr BAYLEY - You mentioned bullying. Last year's annual report indicated that 44 per cent of staff had experienced some form of bullying. Do you have figures this year, or do you not have those figures because you haven't done that survey?

Mr FLAMSTEED - That percentage was relative to the Tasmanian State Service survey. Something we are going to implement next year is a pulse survey, so we can, in between state surveys that are now done every two years, we will introduce a pulse survey so we can measure that better.

Mr BAYLEY - They are done every two years; hence you haven't done one this year?

Mr FLAMSTEED - Correct.

Mr BAYLEY - What about lowering the target, just going back to the original question, through you, chair, why lower the staff satisfaction target from 70 to 60? Noting, obviously, that that was the result last year.

Mr FLAMSTEED - I probably want to clarify that question. You're saying that we've lowered the target from 70 per cent to 60 per cent, or the number is lowered from 70 per cent to 60 per cent?

Mr BAYLEY - The target you are seeking to achieve in terms of satisfaction, last year's annual report, it was reported as 70 plus, this year's annual report, it's reported at 60 plus, in terms of satisfaction.

Mr FLAMSTEED - I just think that's being a realistic number. We are working up to be the best that we can for our staff and to be the best employer that we can for our staff.

Dr JENNINGS - The other thing that I would add to that is that we're undergoing a major cultural exercise. We're a year and a bit in and so we would anticipate that that would have some repercussions in the level of satisfaction because it's going to impact some people negatively. As Will said, it's a realistic expectation rather than just putting some target that's meaningless.

Mr BAYLEY - One last question on this one, Chair. The annual report didn't have a people and culture section as it has in past years, this year didn't have one of those, talking to staff and people and people and culture. Why was that? Was that a deliberate decision or didn't have anything to report or?

Mr FLAMSTEED - No, we did have a lot to report. If you look within the contents of the annual report, especially around our achievements, we recognise our cultural program. We're refining the style of how we're reporting to ensure that we report what is mandatory to report within our annual report and to ensure that we keep efficiencies in that reporting process as well.

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Mr FERGUSON - Minister, and to your chair, congratulations on your appointment earlier this year, I wish you well. I want to ask the minister or the chair or your team to reflect on successes through the previous 12 months of the annual report or even up to date? I noticed from the report 333,322 day visitors, I wish there were 11 more. How do you see the key achievements and the engagement with the local community, noting as well that there is a comment in the annual report that reflects lower than expected visitation? I invite your comments on that.

Ms OGILVIE - Thank you, and it's a great question. It's an iconic site that's really etched in the hearts and minds of most Tasmanians. I can't tell you how many people I have bumped into who will remark, 'Oh yes, I went there when I was at school'. So, there is that warm connection. The visitation issue, I think, we've touched on a little bit but we can reflect a little more on that as well, particularly post-COVID and rebuilding and the nature of the tourism visitation market as well, which is obviously very germane to PAHSMA.

I would be really pleased to start by highlighting some of what I think are the great achievements of the team down there and to underscore particularly the significance of the contribution PAHSMA makes to the Tasman Peninsula, which we love, of course.

Port Arthur is the fourth most-visited tourist attraction in Tasmania. The Cascades Female Factory, which operates under PAHSMA, ranks as the 16th most-visited attraction in the state, although I might say it's probably my most-visited site, I love going there and I'm there often. In 2024-25, the Port Arthur historic site welcomed - I'm going to say the number - 333,322 visitors. I, too, wish there were 11 more; perhaps we should bring another bus load. That's holding steady from last year's increase and whilst visitation was comparable to prior years, the yield per visitor increased 7 per cent from last year from \$54.20 to \$57.78. Important.

This increase of visitor yield was also seen at the Cascades Female Factory historic site, exceeding the budget by 17 per cent. That's an impressive \$33.57 per visitor from the previous \$28.63. This increase was driven by, I think, savvy business decisions in the form of improved retail and visitor experiences. Hopefully, if you've been there, you've seen how nice it is as a site and the retail is important to that.

It's important also to note that PAHSMA plays a really critical role in relation to the peninsula more broadly. Contribution analysis undertaken by economist, Saul Eslake, on 24 October found that for every dollar provided by the state to PAHSMA, the economic value delivered was \$5.73, so that's a good return. PAHSMA's total economic contribution of \$26.3 million represents 21 per cent of the Tasman local government area's gross regional product. So, it is a pretty important site and the business there is important to everybody. One hundred and forty-seven PAHSMA employees who live in the Tasman Peninsula region receive \$7.4 million in gross wages, inclusive of super. The wages paid for these employees represent 57 per cent of total payroll tax contributed back to the state.

Beyond employment, the authority spent \$900,000 on products or services from 102 local businesses within 70 kilometres of Port Arthur, including more than \$53,000 paid to the Tasman Council. However, PAHSMA's contribution goes far beyond that and I will quickly run through it: The Garlic Festival, Tasman Feast, Turrakana Tasman Arts, PAHSMA Classic Golf Tournament, Port Arthur Cricket Club, the Lions Club, the TSO Chorus, Community Arts Exhibition, Makers Market, Christmas Carols - all the good stuff.

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Mr MITCHELL - Minister, PAHSMA was funded \$15.95 million by the Tasmanian government for water and sewage upgrades. Could you please provide an update on this project in terms of status, progress and timeframes? In particular, when are the works likely to be finished and is it currently on budget?

Ms OGILVIE - This is the most exciting water and sewage project known to mankind and it is happening on the peninsula. The reason it's exciting is because in taking that cost burden off PAHSMA. They have money to spend on conservation and restoration and all the good things we want them to do. That plant is really important for the whole of the peninsula. We'll turn to the team. I think it is probably a Will question for the specifics.

Mr MITCHELL - So status, progress, timeframes.

Mr FLAMSTEED - Thanks, Mr Mitchell, for the question. PAHSMA also thanks the Tasmanian government for the extraordinary investment in our \$15.95 million in water and sewage. Status: the project is on track. PAHSMA's executive spent time developing, first, a formal project management protocol and procurement and governance structure for the particular project. That particular governance structure was then endorsed by the board to ensure that it met all our procurement guidelines as a government business enterprise.

We have since gone to tender and engaged an external project manager due to the size of the project. It couldn't be expected that our staff would manage that internally. It would impact on our general works and business as usual. The project working group and steering committees, et cetera, have met and are formally in place. Our project manager, external, has been engaged and next stage of procurement is the design phase. That's out to market at the moment and we expect to be able to make a decision on that early in the new year.

Mr MITCHELL - Can I get some clarity? Is it on time and on budget?

Mr FLAMSTEED - It is on time and on budget.

Dr JENNINGS - It's on track to complete on 28 September, so that's the timeline we are looking at.

Mr MITCHELL - Thank you for that. On page 4 of the annual report, it is stated that PAHSMA engaged in evolving the culture action plan. Can you elaborate further on what that looks like, please?

Mr FLAMSTEED - I touched on that before, Mr Mitchell. Part of our investment as an organisation into the wellness and wellbeing of our staff is the culture action plan. It was identified as part of our 2023-28 PAHSMA strategic plan and recognises the demand and desire for us to culturally evolve and modernise as an organisation. Whilst the strategic plan is looking at organisational evolution and development, a particular project within that is the culture action plan, which is very much about providing the environment and the skills, as an organisation, that will enable us to best manage our staff and to create a safe space for our staff to work in as well.

That's gone through a number of different deliverables, a couple of the top-line deliverables there are the leadership program for our managers and the executives. That's teaching our middle managers - and if you've ever run a business, middle management is where

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you actually effectively manage a business - giving our middle managers the skills and tools to best manage their staff and to culturally manage their staff as well.

Part of the evolution and development of our culture was the positioning of a new vision for the organisation, but also understanding how that's delivered within the organisation. Each of our departments and our sub-departments worked on developing a team charter on how we want our staff and how they want to be treated within the workplace. That's something that they developed themselves. The vision was something that our people developed and passed up to our executive and board as well. That enables us to work in a safe and effective way and to be able to be accountable and make all our staff to be accountable for how they behave in the workplace.

Mr BAYLEY - I know the management plan for the Port Arthur site and the historic sites is under review. I know the most recent iteration of the draft is with the Planning Commission as it stands. Can you give us an update on progress and timelines for that new management plan, and a bit of a summary of the fundamental changed management actions that you've identified need to be built into that plan that you need to address.

Mr FLAMSTEED - Thanks, Mr Bayley. Yes, I can take that.

Ms OGILVIE - Yes, then I have a bit of additional information.

Mr FLAMSTEED - If you start, minister, that's fine.

Ms OGILVIE - Happy to start. We have been doing quite a lot of work on this, and I thank you for the question. The draft heritage management plan is a revision and update to the Statutory Management Plan 2008 for the three sites under its management: Cascades Female Factory, Coal Mines and Port Arthur Historic Site. What it's seeking to do is fulfil both the state and federal government regulatory requirements and obligations, including the EPBC regs 2000, with which you would be familiar, and the World Heritage Convention, which I know we're both familiar with.

It does provide a clear sense of direction and approach for ongoing conservation and management of the sites, but also, importantly, provides a prioritised approach for heritage management plan implementation. Importantly, with consideration of available resources - I think we will probably speak to that element as well - the heritage management plan aligns with the PAHSMA strategic plan. I know a lot of workers have lived that journey with you over many years. A lot of work has gone into that.

I'm pleased to report that the consultation process is well underway and the draft plan was placed on public exhibition for a period of 39 days on 1 December 2024. We have had a total of seven representations. They were made in response to the draft plan. I will name a few of those so you can get a sense of what we're dealing with: National Parks and Wildlife advisory committee, NRE Parks, Tasmanian Department of Climate Change, Energy, the Environment and Water (DCCEEW), two members of the public, and two PAHSMA staff members. It's nice that they feel they can contribute, which we welcome.

A report on the representations received has been submitted to the Planning Commission, as we've noted, and the TPC will decide if a public hearing is required. If not, the commission will report to the Minister for Parks, who will consider the report. Draft plans being provided

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to DCCEEW for review prior to the formal submission to the Australian Heritage Council. The plan is required to be consistent with the world and national heritage management principles set out in Schedule 5 of the EPBC Regulations 2000. Once the plan is finalised, obviously it will be submitted to the Governor for approval.

Thanks for bearing with me. Good to have that on the record for those who are listening in and the framework. I might ask Will if he has some reflections in addition.

Mr BAYLEY - Some of the challenges and things you've identified need to be addressed.

Mr FLAMSTEED - Thanks, Mr Bayley. If you think of the heritage management plan as the body of work or the formal document that enables us to make the conservation and interpretation decisions that we need to make in managing our three World Heritage sites. Some of the things that we recognise that have issues are:

First, the ongoing conservation of not just the sites, but all the buildings, ruins, gardens, et cetera, that sit within those sites. The cost of doing business, as with anyone, is increasing dramatically for us as well, which you might see in our financials. That's one of the things that we've recognised.

We're seeing the impact of climate change, especially at sites like the Coal Mines Historic Site and also at the Port Arthur Historic Site. We're seeing tidal erosion - dramatic tidal erosion at the Coal Mines Historic Site. We use the principles within the Heritage Management Plan and the decision-making framework they've created for us to be able to make decisions on why we do what we do. Do we try to stop it? It's pretty hard to stop climate. How are we going to treat it? How are we going to then interpret into the future? They're just a couple of examples.

Mr BAYLEY - Minister, I think I just heard you say the management plan is being developed - if I heard you correctly - given the consideration of available resources. What do you exactly mean by that?

Ms OGILVIE - Yes, there are always constraints with how much money you've got to spend.

Mr BAYLEY - Does that mean that the management plan itself is being constrained to the resources available? Is that what you mean by that?

Ms OGILVIE - I mean that in any work PAHSMA or any organisation does, they have to work with what they've got. Will, would you reflect on that? How you're prioritising?

Mr BAYLEY - I guess what I'm getting at, if you don't mind, and through you, minister, is, I would hope you would write the best possible management plan that deals with the challenges of the site and not allow that to be constrained by resources. If resources aren't forthcoming, well, that's a challenge that then needs to be addressed -

Ms OGILVIE - I see what you mean, sorry.

Mr BAYLEY - But the management plan needs to be what you require to manage the outstanding value of that property.

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Ms OGILVIE - I think I misunderstood. Thank you.

Mr FLAMSTEED - If I could clarify a few things. The Heritage Management Plan is an overarching document. We also have our strategic plan as well, which is an overarching document. Both of those are roadmaps that define output. Annually, we have corporate planning and the Statement of Corporate Intent net budget that enables us to do what we do with the amount of money that we can either generate through commercial activities or grant funding from government. Within that is a conservation program that is identified via the Heritage Management Plan, that we need to make decisions on, on an annual basis, because the amount of money that we can generate commercially and the amount of grant funding that we get is not the same amount as what we would like to be able to fully conserve and wholly conserve all our sites. We have to make decisions.

Mr BAYLEY - On average, what do you think the shortfall is there, in terms of what you earn and what you can achieve through grants? What do you think is required to manage the values?

Mr FLAMSTEED - We would always like more funds, I can tell you that.

Ms OGILVIE - That was the point I was trying to make.

Mr FLAMSTEED - Our ability to generate more commercial revenue is lesser and lesser every year. If you think of it as a sponge, we're squeezing that sponge really hard. In the same way, the amount of funds that the government can give us, we're very appreciative of those funds. Any organisation needs to make decisions about what they can and can't do. We then look at our business model and our business functioning and say, how are we doing this? Can we be more efficient in how we do this, and can we make our funds stretch further?

So, we'll always ask more funding. We'll always do our best to generate more revenue. It's the nature of the beast at the moment.

Ms OGILVIE - If I may, it has been great to have Jacqueline on the board as well, who has that corporate experience. She brings a fresh set of skills to the table. I found it very helpful to have some new ideas and also those corporate skills about that resource deployment and prioritisation. Is that a fair thing to say?

Dr JENNINGS - I was going to actually add to that, in that particular vein, only last month the board met and had a look at what we had on our plate, what we desired through our plans - our strategic plan, our Heritage Management Plan. We then had to prioritise and select what we were able to complete with the funds that we have. It means that things are going to take longer to achieve, but those projects that we have funding for will be completed.

Mr MITCHELL - If I can quickly piggyback off Vica's question. Is there anything critical that you're not able to do?

Dr JENNINGS - Yes, and particularly around that conservation and heritage lens, and with that overarching climate change impact that's been clearly recognised now as having a significant deleterious effect on our assets. There are areas that we are deeply concerned about, but we do not have the funding to address, so we're just having to say, where can we do something whole and progress in a structured manner?

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Ms OGILVIE - Mr Mitchell, just a little compliment - we're very, very grateful for the federal government's co-stewardship and also always very grateful for additional funds. Subtle, right?

Mr MITCHELL - That's my past.

Ms OGILVIE - More of that, thanks very much.

Mr FERGUSON - Mr Mitchell only asks DDs.

Thank you, Chair. Minister, just a two-part question in view of time, if that's alright. I will be happy with brief answers on each part.

The first is on the Coal Mines Historic Site. I visited there with my family, and it often surprises me how little we hear about it. I just openly express, I wonder if that might be an area of some additional opportunity for a value-add in terms of letting people know about what is available on the peninsula. I would invite your comment on that.

The other part of my question is around injuries and worker safety. I appreciated the comment in the annual report that there's foundational beliefs and principles that guide the organisation. It talks about the team chartering processes, and it talks about training that leaders have received around psychological safety. If you don't mind me saying, there's not a lot more about any lost time injury reporting in the document, unlike most of our other GBEs, where it's almost a go-to stat in the statement of corporate intent. It might be just something I ask you to take on board and consider reviewing for future consideration. I invite your comment on worker safety as well, and performance.

Ms OGILVIE - Thank you very much. The Coal Mine site, I think, is absolutely ripe for doing more with that. I did a bit of a deep-dive on that question when I came on board as the minister. I know that there are matters of prioritisation and challenges, and so I will ask Will to speak directly to that.

If I may perhaps address the second part of your question first, because I happen to have some details there. I think you're quite right: it's good to have the stats. In relation to that question, I have some details about work health and safety. During 2024-25, PAHSMA received six workers' compensation claims. I think this goes to your question about site injuries, et cetera. Four of those are already closed. All did result in lost time. Four were not disputed, and two were successfully disputed with no ongoing employer liability. Three claims related to physical injuries.

I think we've heard today that the commitment to workplace safety and maintaining a safe workforce is evidenced by PAHSMA's considerable investment in WH&S training, but also the issue of bullying and having a safe psychological working environment is really important. I know that is something that's getting a lot of attention not just at PAHSMA, but across our workforce, and in the workforce more generally in Tasmania.

Training that's been delivered included first-aid and CPR, safe operation of workshop machinery, forklift operations, all those things you would expect, WH&S corporate inductions, and training for supervisors and managers, to name a few.

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Employees and visitors reported 61 injuries during 2024-25. All were musculoskeletal injuries and generally reflected the nature of a vast heritage landscape, as you could imagine. I think they're the stats you were after.

I would like to ask about the Coal Mines. It's such a great little asset and it has a lot of love down on the peninsula.

Mr FERGUSON - A lot of people don't know about it.

Ms OGILVIE - No, it's a secret. It's a hidden gem.

CHAIR - We have about a minute.

Mr FLAMSTEED - In a nutshell, Mr Ferguson, the Coal Mines is a site that has a high level of endearment, like you've just touched on, with the Tasman Peninsula locals. It is a free site, as compared to the Port Arthur Historic Site and the Cascades Female Factory, that both have paywalls, for obvious reasons as well. The site is quite remote. Our ability to manage that site, if we have something more than what it is at the moment, would have a high impact on our ability to actually service that site, although we do service that site within our current income.

The upkeep of it is quite major because of the nature of it with coast erosion, but also with bushfire preparation, et cetera. It's something that we will consider strategically in the future as maybe a future education offer. But I think that needs to have some serious business case planning around it in the first instance before we'd make any decision to further invest in a bigger activation than what we have at the moment, which is self-guided.

Ms OGILVIE - A very quick one, something historic that you will like. Just by way of interest, there is a series of artworks that William Charles Piguenit did of the Coal Mine site. This is a really beautiful treasure that's currently housed at TMAG.

Mr MITCHELL - Minister, in the 2023-24 annual report, it stated that PAHSMA employs 199 employees, and in the 2024-25 annual report it states PAHSMA employs 158 employees. Could you tell me what the true number of employees is, in terms of both headcount and FTE, and can you explain the dramatic loss?

Ms OGILVIE - Okay, that's one for the administrators.

Mr NELAN - The 199 that you're referring to, was that a headcount or was that an FTE?

Mr MITCHELL - I could not tell you.

A witness - It's a total headcount.

Mr NELAN - We are a fairly seasonal business in our organisation. You may recall with COVID, the state government made a commitment to retain even casual staff. We carried casual staff through non-peak seasons as we recovered from COVID. We've now gone past those COVID years of support. The numbers are that we have a headcount of 158 people as at 30 June, which is not our peak season - it's quite miserable at Port Arthur.

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Mr MITCHELL - That is consistently reflective of the annual reports, more generally speaking, over time. Would that be an accurate statement?

Mr NELAN - Yes.

Mr MITCHELL - So, you're putting the 199 down to the fact that you retained people you would normally offload over the non-peak period and you kept them in COVID?

Mr NELAN - That's right.

Mr MITCHELL - Okay, thank you. That explains that.

I have another one here. The total cost of consultants, through you, minister, in 2024-25 was \$831,984, with \$272,665 of that spent on 19 consultants for \$50,000 or less. Could you please table a list of the 19 consultants and cost of the work that each was engaged in?

Ms OGILVIE - Let me confirm what we have to hand. Do we have a list that we can table or read out?

Mr NELAN - I can read them out. I just need to find my notes on consultants.

Mr NELAN - So, you're interested in the \$272,000?

Mr MITCHELL - There were 19 consultants, each contracted for \$50,000 or less. Could you table a list of the 19 consultants and cost of the work each was engaged in?

Mr NELAN - Yes. KPMG - this is GST-exclusive numbers - they had \$31,650; Apex Advisory \$25,000; Burbury Consulting was \$18,320; Wise, Lord & Ferguson \$6700; Newton & Henry \$2500; Bree Richardson Consulting \$26,000; Mersa was \$8640; ARTAS Architects \$24,540; and Chapman Executive \$21,315. I'm not adding this up in my head, I might add. I'm not sure how many I've got through there, at this stage.

Mr MITCHELL - Is that list publicly available? Has that been published anywhere on the public record, or was that -

Mr NELAN - No, it hasn't been required. We're required to state those over \$50,000, which is what's in our annual report. We don't list the subset.

Mr MITCHELL - Minister, it would be helpful, through you, would you be okay with that list being published?

Ms OGILVIE - Yes, I'm comfortable with that. I want to make sure there's no confidentiality issues. I always check that it's not -

Mr NELAN - I couldn't see any real confidentiality issues, except that we're an organisation that generates commercial revenue and there's commercial-in-confidence information whenever you present names of people that you're using.

Ms OGILVIE - Would you be okay with us confirming and checking that and then we can -

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Mr MITCHELL - Sure.

Mr FLAMSTEED - I have no problems if there's no level of commercial-in-confidence, Mr Mitchell.

Ms OGILVIE - Is that okay?

Mr MITCHELL - Yes, I think that's as much as I can expect.

Mr FLAMSTEED - What we've reported in our annual reports meets the expectations and guidelines of our act, so, I'm pretty comfortable with that.

Ms OGILVIE - There's no problem providing the information. We'll just check that it's not going to upset anyone.

Mr MITCHELL - Minister, going back to contracting, how much is spent on HR consulting firm, BelRose?

Mr FLAMSTEED - I can answer that, Mr Mitchell. For the 2024-25 financial year we spent with BelRose \$323,566.

Mr MITCHELL - Can you provide any explanation? Are they your principal HR consultant? Do they do the bulk of PAHSMA's HR consultancy work, or is it just part of it?

Mr FLAMSTEED - They would be the principal consultant. An element of that is as a contractor, not as a consultant. A consultant is a specialist providing you with detailed expert advice or services on spec, whereas this is like a contract labour hire where they're just performing under the direction of the people and culture manager.

Mr BAYLEY - Through you, minister. Chair, we talked earlier about some of the challenges of climate change, coastal erosion, and I know there are other issues at Port Arthur. It's also been a site of measuring climate impacts for a long time, ever since the sea level lines were scratched in the stone. Can you give us an update? I know the Tarleton Street oak trees were a project that was climate affected and you engaged novel techniques to irrigate them subsurface. Can you give us an update on that? Has it been successful? Have you managed to keep those trees alive and healthy?

Mr FLAMSTEED - Those trees are alive and healthy. Just to touch on what you touched on there, Mr Bayley. We were pumping fresh water onto what is a very sodic site, so, impacted by salt.

Mr BAYLEY - Pumping subsurface though, was it? Into the roots?

Mr FLAMSTEED - Yes. Part of the issue, or a couple of issues - and I'm not a conservation specialist, but I understand it because of my role - that area in front, if you know the cricket pitch at Port Arthur, that's all reclaimed land. A lot of that land becomes very highly saturated with high water tides. The trees sit just beyond that. Their impact is subsurface. We received some advice a few years ago and made the decision to pump fresh water onto that area and it's rejuvenated those trees and they are now much healthier than they were.

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Mr BAYLEY - A success story.

Mr FLAMSTEED - Yes, for a simplistic approach.

Mr BAYLEY - What about other climate-induced or climate-related challenges at the Port Arthur site itself? Have they got costly remedies and have you got them addressed?

Mr FLAMSTEED - Yes, two that I'd like to focus on. One in particular is the penitentiary. You might remember about 10 years ago, the penitentiary had some major remedial works done on its structure, geotechnical work. We had that analysed in 2021 from memory, to be exact - I can't remember, but in the last few years - recognising, number one, that the works done then were still very sound. What we have found in the last couple of years is the impact on the fabric of the penitentiary. Put simply, areas where either mortar was falling or the bricks were degrading, et cetera. We saw that as being a very urgent thing to fix. We developed a strategy around that. The strategy was then managed and discussed, first with the Tasmanian government to look at how we could find the funds that we needed. We then worked with the minister to take that federally and with our new federal member for Lyons, Rebecca White, who was very responsive to that. We received \$8.9 million.

Mr MITCHELL - Much better than the last bloke. He was useless.

Ms OGILVIE - The last guy was terrible.

Mr FLAMSTEED - Who's that guy? But just to touch on that, we now have a staged process of \$8.9 million work on the fabric of the penitentiary. It's a staged approach, which means we can still keep it open, means we can still interpret it, and you can still get that iconic picture.

Ms OGILVIE - I know we're very short of time, but I would like to get to that point as well. I did open with that, saying with a heritage site like this, it does take all of us to look after it. I am very genuinely thanking the federal government and the work that was done. Importantly, the collaborative way that that was done because it's to the benefit of all Tasmanians, which is part of the reason I love the heritage portfolio. I know you feel similarly.

CHAIR - The time allocated for scrutiny has now expired.

Thanks to the officers, office holders and staff for your attendance. Big thank you to the committee. Thank you everybody for your participation today. You can please stop the broadcast.

The witnesses withdrew.

The committee adjourned at 3.00 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Sustainable Timber Tasmania

Thursday 27 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Craig Garland
Mr Peter George
Mr Michael Ferguson
Dr Rosalie Woodruff
Prof George Razay
Mr Carlo Di Falco
Dr Shane Broad

WITNESSES IN ATTENDANCE

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

Ministerial Office

Adam Foster
Chief of Staff

Anna Fidock
Senior Adviser, Business, Industry and Resources

Sustainable Timber Tasmania

Rob de Fegely
Chair

Greg Hickey
Acting CEO

Suzette Weeding
General Manager, Conservation and Land Management

Chris Brookwell
General Manager, Corporate Services

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Sustainable Timber Tasmania

CHAIR - We are broadcasting. I'm waiting for the minister. I don't think this has happened in the whole time of these scrutinies, but anyway.

Mr ELLIS - Rightio. I'm ready when you are, Chair.

CHAIR - Thank you, the time being 10.21 a.m. We were to start at 10.15 a.m., but I welcome the minister and representatives of Sustainable Timber Tasmania, along with the others at the table. The time for scrutiny is three hours. We won't necessarily take a formal break, but if anybody really needs to have a break, do let me know.

Members would be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or the chair of the board and the questions handed, in writing, to the secretary, who is Mary at the moment.

I invite the minister, Mr Ellis, to introduce any other persons at the table, including names and positions, and invite you to make an opening statement. Thank you very much.

Mr ELLIS - Thank you, Chair. Allow me to introduce those with me today from Sustainable Timber Tasmania: Rob de Fegely, Chair; Greg Hickey, Acting CEO; Suzette Weeding, General Manager of Conservation and Land Management; Chris Brookwell, General Manager, Corporate Services; and Adam Foster, Chief of Staff, who won't be taking questions.

Sustainable Timber Tasmania (STT) is an integral part of our forestry sector, with the responsibility for managing the 812,000 hectares of public production forests on behalf of all Tasmanians.

Sustainable Timber Tasmania is a profitable business, recording a profit for the last eight consecutive years despite some, at times, challenging trading conditions. It's a key part of our jobs-rich Tasmanian forestry sector. In the 2024-25 financial year, STT recorded a total comprehensive income of \$4.8 million and net profit after tax of \$5.8 million, which includes considerable commitment to fire management, community engagement, research, and other critical services to the Tasmanian community and the protection of our forests.

As part of the Liberal 2030 Strong Plan, the introduction of Sustainable Timber Tasmania's new ministerial charter has helped sharpen STT's focus and help meet the evolving needs of Tasmanians. It outlines clear government expectations, with a strong emphasis on supporting multiple uses of permanent timber production zone, or PTPZ land, including for recreation, beekeeping, hunting, and cultural activities, delivering positive socioeconomic outcomes and strengthening stakeholder engagement.

Fire is a serious threat to our native forests. More than 1900 hectares of permanent timber production zone land was impacted by fire last year, which is a stark reminder of the importance of proactive fire management. Protecting Tasmanian communities, forests, and infrastructure from bushfire remains a core responsibility, critical service, and a year-round focus for STT. In 2024-25 Sustainable Timber Tasmania trained firefighters and worked with the Tasmania Fire Service (TFS) and Tasmania Parks and Wildlife Service to combat bushfires and to keep our communities safe. Over 70 per cent of STT's employees are trained in firefighting, and they are at the frontline every bushfire season, helping to protect life and property in our state. STT

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also conducted fuel reduction burns across the public forest estate, helping to reduce fire risk with harvested coups and regrowth areas used by the TFS as critical areas for the management and prevention of large-scale bushfire.

STT has an active research department. Within the financial year 2024-25, STT led or participated in 31 active research projects valued at \$14.2 million, in partnership with 25 leading organisations and supported by nearly 100 collaborators across Australia.

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

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

2025 has been a year that reaffirms STT's long-term commitment to sustainably managing Tasmania's public production forests, and to the people and industries that depend on them.

On behalf of the government, I'd like to thank STT, its board and leadership, and all STT employees for their hard work and dedication through the year in management of Tasmania's sustainable and renewable public forests.

Chair, if it works, I will pass over to the chair for some introductory remarks.

CHAIR - A few brief introductory remarks, thank you.

Mr de FEGELY - Last year was a tough year, but a good year - tough due to the market downturn and slower demand from our Tasmanian customers. I think everyone's been feeling that pinch. The export markets remain fickle, despite the fact that the outlook for demand for wood, a renewable product, is still quite strong. It was a good year because we actually made a profit. That's the eighth year in a row, and I'm very, very proud of that fact.

We are much, much more than just logs on trucks and selling wood. Our sales of wood products, along with a small amount of government funding, pays for the management of PTPZ forests, the lands of which are managed for multiple values. We have a 10,000 kilometre road network, of which we maintained around 3000 kilometres last year. We built 24 kilometres of new road, including two new bridges. That provides access to our forest for a range of uses, as the minister just mentioned, including recreation, tourism, places like Blue Derby mountain bikes and Tahune Airwalk. We have a number of ecotourism licences, 249 apiary sites and high country fishermen, all of which use our roads and access for their own uses.

We have a very strong firefighting force which is there to protect our forests and obviously retain the carbon that we have in our forest, and that's very, very important. Seventy-seven per cent, or about 130 of our 170 staff, are trained firefighters and they're always there.

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We also manage a significant area of conservation reserves - about 159,000 hectares, so not less than 60 per cent of our forest is available for wood production. We manage 161 giant trees. We found one more this year, which is wonderful.

Our 171 staff, as I mentioned, are our greatest assets and our average tenure is a bit over 12 years, which is again, very commendable and obviously means that STT is a great place to work. We had five staff members reach 40 years of service this year: Dean Tuson, Jono Rudd, Peter Moore, Phil Cole and Steve Whiteley. I thank them all for their dedication and commitment to the organisation. A special mention to Steve for the work that he's done in taking STT through a period of transition in 2016, stabilising the business, getting onto a profitable track and delivering, in many ways, for the people of Tasmania.

The future, as we work towards plantations, we're bringing these online - and we won't be able to talk about that much this morning, I'm sorry, ladies and gentlemen, because that's still in a commercial process - but also towards our regrowth forests and to produce what I believe is the world's most renewable product. All we need is four elements: sunlight, rain, soil and air, and we can continue to grow. We don't need a lot of chemicals for our natural forests, with wildlife all around us. Thank you very much, minister.

Dr BROAD - Remembering that, as per the sustainable yield review, I think No.6, the available native sawlog volume will reduce by about 58 per cent very soon, you're currently running a tender sale process for plantation sawlogs. What is the timeframe for conclusion of this process?

Mr ELLIS - Thank you, Dr Broad. As we mentioned, obviously we're working through a process, but we commenced stage 2 of the process to bring the plantation solid wood resource to market. The log sale process is being conducted under a strict probity plan, and Sustainable Timber Tasmania has appointed an independent probity adviser to provide oversight. Sustainable Timber Tasmania staff, departmental staff, relevant ministers, ministerial staff and customers, have been presented with a set of approved probity guidelines to consider in their communications. This will provide a fair but competitive process for all participants to secure a long-term supply of plantation logs for processing in Tasmania. The process is expected to conclude in the next financial year. I will pass over to the team from STT.

Mr de FEGELY - Thank you, minister. Yes, as I mentioned, we are in commercial negotiations with our customers for native forest contracts and we're working our way through those. The plantation process is also continuing. Unfortunately, we can't share with you all the details at the moment because it's a commercial process, I'm sure you'd understand. We would sincerely hope that in the next six months we will have those completed.

Dr BROAD - In addition to that, then, when would you expect to be able to notify businesses if they've been successful or not through this process?

Mr de FEGELY - There's a process that we are working through at the moment, which will come to the board in the December board meeting. So, the board will be reviewing those and, hopefully, early in the new year we will be telling businesses they've been successful. I'm assuming you are referring to Project Eclipse at Plantation Resource?

Dr BROAD - Yes. Why is it taking so long?

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Mr de FEGELY - I don't think it's actually taking too long at all, because we only started in May.

Dr BROAD - The plantation sawlog process has been something that's had a long runway. We're talking decades, really.

Mr ELLIS - And it's important to get it right. I mean, this is one of the most significant moments for STT, for any of the publicly-owned resources that the Tasmanian community own. This is also a significant moment in time for our customers as well. There's a process of retooling. There's a process of ensuring that there are markets for this different species of timber grown under different growing methodologies. So, we expect that we're working in a process to get things right. 2027 is obviously the time that the transition notionally happens - we're in 2025, and we've got a clear pathway to finalisation.

I don't know if there's anything further you want to mention?

Mr de FEGELY - No.

Dr WOODRUFF - Minister, new national environment laws are going to go through parliament today and they have important improvements achieved by the Greens. The Prime Minister said this morning that they are to address the fact that current laws aren't fit for purpose. These laws will remove the exemption to the Regional Forest Agreement that has allowed Forestry Tasmania to destroy threatened and critical habitat for decades. Do you agree, minister, that this will be game over for the current native forest industry in Tasmania?

Mr ELLIS - Certainly, we're deeply concerned; deeply concerned by the Labor-Greens deal that's been done at a federal level, and the approach from the Prime Minister to effectively put at risk thousands of jobs and the ability to fight fires in forests in Tasmania is massively concerning. Now, we will need to work through the details of this announcement. We will be doing that in partnership with industry, with businesses, with the workforce. We're seeing very concerning actions by Labor governments in other states in Australia at the moment as well.

The Regional Forest Agreement has been the underpinning of Tasmania's sustainable native forest sector for around two decades, and we manage forests better than just about anywhere in the world, Dr Woodruff.

So, as a net importer of timber in this country, the actions that could potentially be taken that will reduce our native forest sector will mean the carbon miles of shipping in timber products from Europe - that's not a good outcome - or even worse, bringing it in from countries that cannot manage their forests as well as we do. So, you can crow and dance around all you like on this disastrous decision, but there are families out there who have put themselves in harm's way to protect communities like yours and put food on their tables through the native forest sector, and they are feeling deeply worried today.

Dr WOODRUFF - Minister, we will talk about the transition for workers, that the Greens support, but this is evidence, at the federal level, that the Regional Forest Agreement has been utterly failing since they were introduced by John Howard in 2002. Your industry has 18 months before the exemption from federal environmental laws ends. You are currently smashing habitat for the critically endangered swift parrot. To ensure that the swift parrot is

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not logged to extinction before those laws come in, will you stop logging swift parrot forests now?

Mr ELLIS - Dr Woodruff, we manage forestry sustainably here in Tasmania. STT is really an exceptional leader in that. It's interesting, when people talk to me about the kind of forestry they'd like to see it's looking after forests that have multiple mixed species, that have natural water management, that are well managed for fire response, that have a range of different native flora and fauna that are part of them. That's our native forests.

I think any move to reduce native forestry would be a perverse outcome. It is also perverse that the Prime Minister only months ago was talking about the importance of increasing productivity across the economy and is now taking this action that will impact the productivity of a highly productive sector for the Tasmanian economy. We will need to examine the details of this Labor-Greens deal but there are some extraordinarily perverse outcomes that could be driven through this process.

I will pass over to the team from STT if there's anything they want to add in an operational sense.

Mr de FEGELY - I think it's all too early. We only heard about this at around 8 a.m. this morning. We haven't seen any detail, but obviously once that detail is known we will look at it and try to understand what it means for us as the forest manager of PTPZ land here in Tasmania and how we move forward.

Dr WOODRUFF - Minister, through you to the chair, if it's appropriate, if you think Forestry Tasmania is operating at such a high standard and is world's best practice, or at least Australia's best practice, why would you be worried about these new federal environment laws and achieving the EPBC standards, which is what you said -

Mr de FEGELY - Point of order, Madam Chair. I don't know who she's talking to -

CHAIR - Excuse me. Order. Can you allow Dr Woodruff to finish her question?

Mr de FEGELY - I can.

CHAIR - Thank you.

Dr WOODRUFF - If you think that you're operating at such a good standard, then why would you be concerned about the application of our federal environment laws, which your company has said for decades is what you uphold through the Regional Forest Agreement and the Forest Practices Authority?

Mr de FEGELY - We do. The thing we're interested in is to understand what it actually means, because not always some of the legislation that passes through from time to time is linked to reality as to what's actually happening in the field.

The point I wanted to make, Madam Chair, is that we are Sustainable Timber Tasmania. We have been for nine years, but Dr Woodruff loves to call us Forestry Tasmania, which is a name we've given away. So may I ask if Dr Woodruff can refer to us as Sustainable Timber Tasmania? If that's too difficult, STT is fine, but only those two names.

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Mr GARLAND - On Tuesday in the Legislative Council scrutiny session, STT said that if they had to honour every request to halt logging operations they wouldn't be making any money. How many requests to halt logging in a particular region of a municipality has the government or STT received in the last five years?

Mr ELLIS - Which particular municipality, Mr Garland?

Mr GARLAND - Any, for that matter. How many requests to halt logging in any municipality have you had?

Mr ELLIS - I am happy to pass over to the team at STT shortly. It is important to note that we get a massive number of requests across our economy for Tasmanian timber products, including from people building their homes who are able to enjoy beautiful furniture from the timber that's all around us. Every day we have more than 5000 people working in this sector and they consistently say they want it to have a really bright future. We also get people who are grateful for firefighting -

Mr GARLAND - Minister, you're not answering the question.

Mr ELLIS - I suppose it's just important context. I will pass to the team from STT to see what data is available, but certainly forestry has strong support, including in our community, Mr Garland.

Mr de FEGELY - Mr Garland, that's a detailed operational question because we have at least 350 stakeholders that we're monitoring.

Ms WEEDING - Thank you for the question. We don't have a specific number. We don't record that in our information. What I can indicate, though, is that we engage with stakeholders on all our coupes. It's part of our standard process. They're published through our three-year plan and stakeholders can register interest in particular coupes. When they come up for their planning phase, we engage with neighbours, council and other interested stakeholders around those particular operations. We regularly receive requests and information from stakeholders around coupes. Some of those contain requests to end native forest harvesting on a broad scale. We have some specific requests around individual coupes and quite a few around ending native forestry in that sort of space.

Mr GEORGE - Minister, I've been puzzling through the accounts of STT with a redemption, I think, of \$7.5 million in term deposits which was critical for managing cash flow in funding capex. The reported net profit after tax of \$5.8 million relies on a couple of book entries that I don't understand, or at least seem puzzling.

A non-cash biological asset valuation increment of \$7.5 million, further bolstered by \$1.4 million reversal of credit losses. Net cash from operations plummeted by over 73 per cent year on year, which misses your own target, I think, by about 50 per cent. How can STT claim commercial health when its core business is failing to generate sufficient cash to fund its ongoing operations?

Mr ELLIS - Thanks, Mr George. STT has delivered their eighth profit in a row, which is really encouraging. We want to ensure that forestry is both environmentally and financially sustainable. I'll pass to the team from STT to talk through the particulars of the finances.

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Mr de FEGELY - Thank you, minister and Mr George. Regarding the first point you raise, the challenge for us is valuing our assets, our forests, which is done independently each year. It's used as a discounted cash flow technique, which is common for most private businesses; some larger companies like Forico use the same system. If that moves, say there's a movement in price, that will change the value. If it moves up, the value goes up, and we need to record that through our P&L.

I'll ask Chris Brookwell, our general manager of corporate services, to provide some more detail around the comments you just made.

Mr BROOKWELL - Thank you. In terms of our reported profit, we have non-cash items that impact the reported profit, so the forest valuation and the reversal of the credit losses are audited to comply with accounting standards. In our statement of corporate intent we include an underlying profit measure which is a better indication of the quality of the profits that we target and make. That was a profit of \$0.7 million and that was the same as FY24 as well.

The question around cash flow is a good one. In 2024 that underlying profit generated operating cash flow of \$6.5 million, and that was reduced this year. If you look at note D16, there's a payment of creditors of \$4.6 million, so we actually paid creditors to a high degree, which was a working capital movement which depressed operating cash flows. Notwithstanding that movement in working capital, the underlying profit of the business would generate a similar amount of cash to the prior year.

Mr GEORGE - How does that answer the question that your net cash flow from operations has plummeted by 73 per cent year on year?

Mr ELLIS - There's obviously commodity price movements, but I'm happy to pass to STT.

Mr BROOKWELL - If you look at D16, there's a line item that says we have paid creditors \$4.6 million during the year, so that's a reduction in credit. That impacts our working capital; it doesn't impact profit. Had we not paid creditors to that degree, the operating cash flows would have been closer to what they were last year.

Mr FERGUSON - Good morning, minister, and your team from STT. Good to see you. My question is in the context of the announcement overnight from Canberra that Labor has done a deal with the Greens to walk away from the longstanding position of the federal Labor Party that it would back in Tasmania's RFA, which as you know, minister, has underpinned not just resource security but job security right across Tasmania.

I'm very concerned about what Labor has done with the Greens and very concerned about my electorate of Bass. What impact does this decision have? Is it too early to tell, or are you able to tell the committee about the risks to Tasmania, to this business, and also the capacity of STT to staff and resource bushfire mitigation and resourcing during bushfire seasons?

Mr ELLIS - Thank you, Mr Ferguson. Yes, on its face it is deeply concerning. There's a reason the Greens have been campaigning to get this deal with the federal Labor government and for the Prime Minister to make the decision to do a deal with the Greens, I think, is deeply concerning. We will need to, as you say, work through some of the detail. On its face, though, the decision to pull the rug out from under the native forest sector through the decision to phase

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out the regional forest agreements is seismic. That is the cornerstone, the underpinning, of our sustainable native forest sector here in Tasmania.

As I mentioned before, we do forestry better than just about anywhere in the world, and to wrap up forestry in red and green tape just months after talking about the importance of increasing productivity and supporting productive industries, I think flies in the face of everything they have been saying. Tasmania has had a history of being used by federal Labor governments in concert with the Greens as the whipping boy for the nation and to do this to good hardworking people is deeply concerning.

You mentioned your electorate of Bass and I concur with that. The strength, the heritage, the bright future that forestry has in Bass is enormous and that's mirrored right across Tasmania in every electorate. There are people going to work today whose futures are so much more uncertain than they were even yesterday because of this Labor-Greens deal.

You mentioned firefighting. This is one of the key areas of benefit that STT provides to the Tasmanian community. They are one of our three key firefighting agencies. There are more than 100 professionally trained forest firefighters in STT and when the bushfires were on in February and March, I didn't see a lot of Bob Brown Foundation people on the west coast. I saw a hell of a lot of STT people down there.

Dr WOODRUFF - What a garbage statement.

Mr ELLIS - Dr Woodruff, that is absolutely true. Those are people who earned the Operational Service Medal of Tasmania Fire Service serving through STT. These are extraordinary people who go above and beyond to care for the bush, to make sure it is regrown, and planted more than 100 million tree seeds last year. This is an exceptional industry that has flow-on effects right around our state.

Mr FERGUSON - Minister, will you be seeking a 'please explain' from federal forestry minister, Julie Collins?

Mr ELLIS - That's the thing. As a Tasmanian, I think she needs to take a good hard look at herself. When it was announced that there would be a Tasmanian federal forestry minister, I think there was some hope from the industry, because we have seen on the Liberal and Coalition side of things up there that when there's a Tasmanian in the forestry chair, that's often good for Tasmania and good for forestry. I think the industry will be thinking very differently about Ms Collins than some of the federal Liberal ministers previously.

As I say, Mr Ferguson, we're going to need to analyse this decision. This is complex legislation. It's part of the reason it's so irresponsible to be ramming it through in the way they have done with such limited consultation on this Labor-Greens deal. We'll need to work with industry, with businesses and with workers. I can tell you that my phone has been blowing up with people who were seeing a bright future and who are now seriously questioning the things that were said to them by a Labor government when they said they'd back in workers.

Dr BROAD - You're currently going through the process of tendering for the plantation sawlogs. If the plantation volume doesn't equal or exceed the reduction in native volume there will obviously be consequences for employment. Are you taking that into account, especially in regional areas, when determining the plantation volume process?

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Mr ELLIS - Thank you, Dr Broad. We are working through a process. I have to say, I think you need to ask yourself whether you support this federal decision as well, because if you come in here and talk about the impact of jobs with potential reduction of supply, the number-one threat to that now is your federal colleagues. I am sure you speak to Julie Collins and your other federal colleagues. They made a deal with the Greens which they said they wouldn't do and now here we are having to see an entirely new process -

Dr BROAD - Sorry, Chair -

CHAIR - Dr Broad?

Dr BROAD - I know there's going to be a diatribe in my direction every time there's a question about jobs -

Mr ELLIS - You asked a question about supply, Dr Broad, and I'm telling you about supply.

CHAIR - Minister -

Dr BROAD - You can get as wound up as you like -

Mr FERGUSON - He shouldn't be wound up.

Dr BROAD - Well, there are other things at play here too -

Mr FERGUSON - Hurt our people.

Dr BROAD - Okay, so you're going to play politics too, right? I'm here to ask questions on behalf of the industry. I'm not here to hear a diatribe about something I have zero control over.

Mr ELLIS - You have zero control over people in your party?

CHAIR - Minister -

Dr BROAD - I am not the federal -

CHAIR - Order.

Mr ELLIS - You are kidding me.

Dr BROAD - Well, what control do you have?

CHAIR - Order.

Mr ELLIS - You're the shadow minister.

Dr BROAD - What are you talking about?

CHAIR - Order. This is a good point to stop for a moment.

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Mr ELLIS - Have you had a conversation with Julie Collins?

Dr BROAD - Of course I have -

CHAIR - Minister Ellis, do you mind? I'm talking -

Dr BROAD - and expressed my disappointment.

CHAIR - Order, I'm talking. I want to remind everyone at the table that there's a lot of passion in the room and a lot of interest in this topic, which is why we're here for scrutiny. I ask that everybody has a modicum of respect for each other across the table and next to each other. Thank you.

Mr ELLIS - Thanks, Chair. I have plenty of respect for the people but no respect for this decision that's been made in terms of a deal with the Greens. For Dr Broad to say that he is opposed to the federal Labor government's decision at this table should be recorded and noted. The fact that Labor has become divided on this and yet would still seek to do a deal with the Greens, I think is madness.

Dr Broad, you're going to have to go back to our community, to the people who work in this industry, and explain to them why you couldn't do more in this space, why you couldn't advocate further to the Prime Minister who is running your party. You are in federal administration; there are closer links now between the Labor Party than there ever have been at federal and state level. Yet they just meekly roll over and say, 'Well, you know, it's someone else's problem'. I think it's everyone's problem, Dr Broad.

Every Tasmanian who has an interest in the future of our timber industry should be involved and should be looking to fight for this industry. We saw this with salmon with the disgraceful attacks from Tanya Plibersek on another sustainable industry, and here we are now with Murray Watt. People were hopeful that there would be some kind of common sense out of this bloke, and here he we are -

Dr BROAD - Sorry, Chair, we're talking salmon now. I mean, seriously?

CHAIR - Dr Broad, have you received your answer?

Dr BROAD - No, I haven't; he's not even going remotely close to it.

Dr WOODRUFF - No, he's not really coping, is he?

CHAIR - Okay, do you want to ask your next question?

Dr BROAD - No, I want to ask the same question. It's about jobs and it's about what you have control over, which is about the log supply -

Mr ELLIS - Jobs and log supply.

Dr BROAD - especially the plantation log supply. That is actually the issue that is going to keep the industry going, because you know that no matter what happens in Canberra, the native forest supply is declining -

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Mr ELLIS - Are you giving up on native forestry?

Dr WOODRUFF - It's finished.

Dr BROAD - In 2027 the supply drops off a cliff, whether we do anything in Canberra or not -

Mr ELLIS - Are you giving up on it?

Dr BROAD - and the future is the plantation resource -

Dr WOODRUFF - Exactly.

Mr ELLIS - Rubbish, Dr Broad.

Dr BROAD - which you are actually tendering on right now, and you won't give me the answers.

Mr ELLIS - So you're saying you support native forestry but it has no future? What a load of garbage. I mean, seriously?

Dr BROAD - What I'm saying is your own supply is dropping off a cliff because your own reports tell you this.

Mr ELLIS - Because you locked it up in the 1990s.

Dr WOODRUFF - Chair, I think this is a very long answer.

Mr ELLIS - This is the thing. You made a decision to lock up supply and then decades later there is a reduction in the supply.

Dr BROAD - I made the decision?

Mr ELLIS - The Labor Party, in a deal with the Greens, just like their last one -

Dr BROAD - Stop the diatribe and just get some answers to the questions, otherwise we're going to have three hours of this.

CHAIR - Order. You have one last question.

Dr BROAD - No, I have the same question.

Mr ELLIS - You just don't like the answer.

CHAIR - We have to move on.

Dr BROAD - It's about the plantation sawlog supply. What happens if the plantation sawlog supply doesn't match the reduction that you have projected in native forest volumes? Are you taking that into account when you're allocating the sawlog supply?

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Mr ELLIS - Yes, we're working through sawlog supply and we've spoken about probity, Dr Broad. We're keen to make sure that we're delivering for the industry. What's also important is that the future of Tasmanian forestry will be a mix of plantation and native forestry and there is no getting around the fact that if a federal Labor-Greens deal has a significant impact on the supply of native timber, that will have enormous ramifications for jobs in our community and for our ability to even protect the forest.

Dr Broad, you can say that there is no future for native forestry -

Dr BROAD - I absolutely didn't say that.

Mr ELLIS - You did.

Dr BROAD - I did not.

Mr ELLIS - Rubbish.

Dr BROAD - Can you stop him verballing me, please? This is insanity. You know that this is insanity.

Mr ELLIS - If you think that there is a model that can protect hundreds of thousands of eucalypt forest without the native timber industry, I'd love for you to tell me, because what we're seeing in Victoria, what we're seeing in Western Australia, is the massive, unrelenting destruction of the ability to fight forest fires, because of a Labor government's decision to shut down native forestry. And I tell you what - changing lines on a map, Dr Broad, doesn't put fires out. It doesn't get dozers in the bush. It doesn't ensure that there are people on the ground.

Dr WOODRUFF - Thank you, Chair.

CHAIR - We'll move to the next question, thank you.

Dr BROAD - What's the point of this? You do have to get him to answer questions, though.

Dr WOODRUFF - Well, that's not going to be possible, is it?

Dr BROAD - No. If he's just going to rant every time I ask a question -

CHAIR - Thank you, Dr Broad.

Dr BROAD - I know, but I didn't actually get to ask questions, because he just ranted.

CHAIR - Dr Broad, I gave you an opportunity. We're moving on. You'll get another chance.

Dr Woodruff, please.

Dr WOODRUFF - Thank you, Chair. I believe what we're seeing around the table, for anyone who's watching or who reads the *Hansard*, it calls a lie to what this company has been doing for decades when we've heard repeatedly that the Regional Forest Agreement, the Forest

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Practices Authority and Forest Practices Plans are doing the job of federal environment laws to protect critically endangered and threatened species.

Clearly, the way you're going into orbit demonstrates that they're not, and Tasmania, along with other states, has been called out for this failure. What we're seeing that's happened in New South Wales when the national koala park was announced, and while laws there were being prepared to protect it, it was deliberately smashed and degraded by the state forestry company.

Minister, will you make sure that there are no changes to this company's logging schedules or practices across this period to smash-and-grab forests and get what can be done before the federal laws come into place?

Mr ELLIS - Have you seen the boots of timber workers in New South Wales lined up outside politicians' offices who made this decision? Have you seen all those people who were putting food on the table of their families and supporting their communities?

Dr WOODRUFF - Point of order, 45, relevance, Chair. The minister can go into a whole rant about that. It's completely irrelevant. Can you just answer the question? Will you make sure there are no changes to logging schedules or practices?

Dr BROAD - Point of clarification, maybe?

CHAIR - Unfortunately, Dr Woodruff, relevance is not part of the scrutiny, but if you want to ask the question again?

Dr WOODRUFF - Well, it's a simple question: are you going to make sure that there's no smash-and-grab of swift parrot habitat, of ancient forests?

I ask this question on behalf of people who are defending forests every day, and they're doing it because massive ancient trees are being taken out, critical threatened species habitat. Will you make sure there's no change in the practices of Forestry Tasmania during this 18-month period?

Mr ELLIS - We will work through a sustainable harvest schedule, as we always do, Dr Woodruff. We're going to be examining this deal.

You asked me about the koala national park and the lock-ups that have ensued and, as I mentioned, this is devastating for those communities. If you're not moved by the boots of timber workers that have been left out the front of decision-makers' offices and the pleas for help and the requests to change this disastrous decision -

Dr WOODRUFF - Thank you, Chair. I have my next question since the minister is going onto a rant that's not at all related to the topic that I asked.

Mr ELLIS - You might want to shut down the lived experience of our timber workers in New South Wales who are living through the consequences of these kinds of decisions -

Dr WOODRUFF - No, you can talk about this in parliament. This is a scrutiny committee. I have my second question, Chair.

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Mr ELLIS - This is enormously, enormously impactful.

CHAIR - Dr Woodruff, just a little more time before Mr Ellis finishes his answer and then you'll get to your question.

Dr WOODRUFF - Sure, thank you. For clarification, we are meant to be asking and getting questions answered to the questions that we ask. It's not a rant. I understand that you're hot under the collar by this shock news.

CHAIR - Minister Ellis, please.

Mr ELLIS - Would you like me to answer?

Dr WOODRUFF - Minister, we understand that from 1 July next year, applications for native forestry will need to be approved by the new federal Environment Protection Authority. Given that federal EPBC laws protect federally listed threatened species, are there any areas of this company's production forest that you think will not have to be checked off with the Commonwealth before logging can occur? Maybe this is a question for the Chair. In other words, are there any areas that Forestry Tasmania operates in as Sustainable Timbers Tasmania, the company, any areas, that do not involve species that would need to be checked off under federal laws?

CHAIR - Are you asking the chair?

Dr WOODRUFF - It's up to the minister to decide -

CHAIR - No, it's not. Are you directing it to the chair?

Dr WOODRUFF - I will ask the chair. Thank you.

Mr ELLIS - Thanks, Dr Woodruff. I will pass to the team from STT, but will note that we've always managed the forests, through STT, with a mind to sustainability of both flora and fauna. I will pass over to the chair.

Mr de FEGELY - Our staff go to work every day to take care of our forests. We do the best we can. We don't always get it right, but we do the best we very well can to provide a product, as I mentioned in my opening remarks, that just need sunlight, air, rain and soil to grow. We can do that in perpetuity, and we've been trained to do that.

The area of forest in Australia, unlike some comments that come out suggesting they're being destroyed, hasn't changed in the last 30 years. It's been around 130 million hectares since 1990, and you can check this through the State of the Forest Report.

The impact on threatened species is a massive challenge and - there are lots of topics that we could pick up on - it's looked at in the State of the Environment Report, but also in the State of the Forest Report. If you look at the major threats to our threatened species, number-one is forest loss, which is basically due to urban deforestation to build cities, where they're clearing forest. Second one is uncontrolled wildfire. This is a massive problem, and we're seeing this post the Black Summer bushfires. The third problem is introduced species and pests. So feral pests, which all of you would be aware of, and cats are one of the worst. They eat billions of

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small reptiles, mammals and birds, every year, every day. Yet we - forestry operations - are way down the list.

Dr WOODRUFF - Chair, to the question. Are there any areas -

Mr de FEGELY - I'm sorry, Dr Woodruff, I realise you probably don't like to hear this, but the facts say that this is not our problem.

Dr WOODRUFF - It's not a science lesson.

Mr de FEGELY - Well, I'm sorry, it is a science lesson because we work on science.

Dr WOODRUFF - Are there any parts of your company's land that you do not think would have to pass through the federal environment laws? Are there any parts?

Mr ELLIS - Are you saying you are not interested in science?

CHAIR - Order. Order. Thank you for responding to my call to order. Can we have your answer? We do have a limit in timing of answers, so if you could get to the point of the question.

Mr de FEGELY - Apologies, Chair. I realise there are some new members here and I wanted to give them some background. There are statistics that you can get, and I'm more than happy to provide those to any of you, if you wish, collected by the Commonwealth Government, which can give you exactly what is happening and what the threats are.

We are very proud of the processes that we use in Tasmania, but we're always open to opportunities to improve them and to change them. Once we know the detail, we will look at what that involves - simple as that.

Dr WOODRUFF - Can I take that on notice? The question was: are there any areas that Forestry Tasmania manages on PTPZ lands that do not contain threatened species that would need to be checked off by federal laws?

CHAIR - Will you take that on notice?

Mr ELLIS - A lot of this is hypothetical as well, Dr Woodruff. We need to examine this legislation.

Dr WOODRUFF - That's a straight question. You must know, of the areas that you manage, which parts do and don't have threatened species that would need to be managed under federal laws. Maybe it's not very much of your company's land. Can I take that on notice?

Mr de FEGELY - I take the point, Chair. You referred to us as Forestry Tasmania again - can you please -

Dr WOODRUFF - Oh, it was just a slip-up. Let's just talk about the company.

Mr de FEGELY - Number-one is respect. If you're not going up the values of this place, why are you here?

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Dr WOODRUFF - Chair, can I ask a question and have an answer? Would you please take it on notice if you can't tell me at the table, what proportion of land, if any, of PTPZ land -

Mr de FEGELY - I can't give you anything, I'm sorry, on that.

Dr WOODRUFF - Right, would you be able to take it on notice?

Mr de FEGELY - No.

CHAIR - If they're not going to take it on notice?

Dr WOODRUFF - Well, can you take it on notice? He hasn't answered that question.

Mr de FEGELY - Once we know the details, we'll work through it and then we'll be able to provide it through our minister.

Dr WOODRUFF - Do you know which part of your land has threatened species or not? Do you know that and could you please provide us that on notice?

Mr de FEGELY - We do know and I would have to ask -

CHAIR - Hold on. We're almost to the nub of it, I think.

Ms WEEDING - In terms of the requirements to refer, as the Chair has mentioned, we will need to go through the process and evaluate the specifics in terms of what it is we need to do. Under the current EPBC rules, we wouldn't be referring all of PTPZ land. There'd be a portion of it, but we don't exactly know. We haven't done any evaluation in that space.

In terms of the process we go through from the Forest Practices system, clearly, we identify the presence or potential habitat of threatened species. That is part of our standard process, so it's something we could do. In terms of specific areas, no, we don't have that information available.

Dr WOODRUFF - Thank you, Ms Weeding. It sounds like you do know the proportion that is currently affected. Can you provide that information - the proportion of the land that's currently affected under the current environment laws, or not affected?

Ms WEEDING - In terms of where threatened species occur, that information is all available on the Natural Values Atlas.

Dr WOODRUFF - Could you please tell us?

Ms WEEDING - We can provide a copy of the Natural Values Atlas or a link to it.

Dr WOODRUFF - Or a summary of the proportion of PTPZ land that is not covered by federal environment laws.

Ms WEEDING - All PTPZ land is covered by federal environment laws. That's the nature of the laws in themselves.

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Dr WOODRUFF - You don't have to refer to the federal laws.

Ms WEEDING - But we don't know what the rules are yet. Once we know those rules we'll be able to provide that information, but we don't have that information to hand.

CHAIR - Dr Woodruff, in all fairness, we have a number of people who haven't even asked questions yet, so we'll move on. Professor Razay.

Prof RAZAY - Thank you very much. I am new here and sometimes I get confused. I hear about all these hundreds of thousands of hectares and native protected forests, regrowing forest, and plantation logging areas. I wonder whether there is any way for a simple guy like me, whether we have maps which can show us all these areas, but the importance of that is how we can monitor it over the years and then we can look back and say, well there has been a growing of these areas.

Mr ELLIS - Thank you, Professor Razay. You're right, forestry is a complex area but it's important and I appreciate your interest in this. There's a range of different ways that we provide transparency around forestry. STT works through a range of different processes at a higher level as well. The State of the Forests Report is an important document for getting an understanding of Tasmania's forests.

One of the things I will say is Tasmania does forestry better than just about anywhere in the world. It's something we can be enormously proud of. The Intergovernmental Panel on Climate Change notes that the best outcome for the environment and climate is a mixed strategy between native forestry - which is a natural forest, the kind of forest that uses native tree species and a mix of different species in that - your plantations, which are effectively a monoculture crop that provide important wood products in that process as well, and then conservation. Achieving all three is the gold standard that provides the best environmental outcome and the best social and economic outcome. That's what we do in Tasmania. That's part of the reason we're so protective of this system that served Tasmania so well for generations, because it is one of the most extraordinary industries.

Think about a carbon-constrained century which we're moving into and the importance of renewable products. Wood sequesters carbon naturally. It helps provide materials to build our homes and deliver the fibre for a plastic-free future. It is an extraordinary material. To then say we shouldn't use that but instead it should be concrete or steel, or putting things on a boat from Europe, or rainforest habitat in Borneo, doesn't make sense. The more that people grow to understand and appreciate Tasmania's forestry and the true nature of its forests and forest scientists, the more I think the case builds and grows for the way we manage it.

Of course we always need to continue to improve. That's something I think STT has really shown as a learning organisation that's constantly improving its practices as new science helps to evolve our understanding. That's why we need to be backing in this industry as an industry that's such a huge part of our past and such a massive part of our future. I'll pass to the team from STT to talk through some of that and provide some further detail.

Mr de FEGELY - Thank you, minister, and Professor Razay. There is a lot of good information. Unfortunately, in the emotion of the debate it often gets lost, so apologies if we're a bit emotional this morning because we weren't expecting what was coming through.

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As I mentioned earlier, our 170 staff try every day to do the right thing by Tasmania's forests for the people of Tasmania and the wildlife, to do production on one hand and conservation on the other. Both of those things are integrated, which makes it a complex business.

To understand exactly what's happening in our forests, we do periodic reporting on sustained yield. We do periodic reporting through the Commonwealth in the State of the Forests Report and State of the Environment Report which are publicly available, and we can direct you to those. There are lots of statistics to show you what is happening, as best as we know it, and where things are recorded and we're more than happy to help if you'd like.

Prof RAZAY - Is there anything like colour maps where it shows you?

Mr de FEGELY - Sure.

Mr Di FALCO - I was going to pursue another line of questioning, but since you've brought up fires, fine. In 2019, the Great Pine Tier fire burned out 50,000 hectares. It threatened Miena, it impacted fisheries and burnt down a number of fishing shacks. It also killed God knows how many threatened species as well. It could have been restricted to a few hectares, but the firefighters were denied the opportunity to take a bulldozer in there and push in their fire break. What is the current level of earth-moving equipment that could be utilised to push in fire breaks as we are at the moment?

Mr ELLIS - Thank you, Mr Di Falco. You're right, it's absolutely critical that heavy machinery plays an important part in our firefighting. The dozer teams, the excavators, the contractors who work in forestry every day, drop everything so they can support their communities. It's of course about putting water on some of these fires, but at a landscape scale level it's often fire and heavy machinery that's used to manage out-of-control bushfires. I'll pass over to the team at STT around some of the operational information that we can provide. Certainly, during the west coast bushfires, the machinery operators were some of the real heroes of that - and noting some of the machinery operators that were operating at the Nugent fire just the other day as well.

Mr de FEGELY - Thank you, minister and Mr Di Falco. That's a great question, because fire is obviously a major issue in Australia and particularly as we go through a drying climate, they're only going to get worse. Having the capacity, the staff trained and the equipment, is really important to try to catch those fires when they're small, hence we've been investing heavily in our equipment. We've bought new tankers, we've got slip-on equipment and we keep training our staff every year.

In terms of the access, I'll ask Suzette to make a comment on that, because I remember when we were talking about it there were some issues in terms of access. I don't know the details but I was following it. Certainly I know, having endured the Black Summer bushfires in New South Wales, one of the big problems they've got there is despite the fact that the Rural Fire Service is a voluntary based system, they've got more equipment than they have volunteers to man their equipment. By having a fully manned STT firefighting contingent, that gives us the protection everyone's looking for, communities, forests and our threatened species. Suzette?

Ms WEEDING - I've got the answer in terms of the number of dozers that we have available. We draw on a contractor workforce around heavy machinery and utilise that, so I'll

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wait for that question to come back. I will give you some additional information around our firefighting resources and some statistics which would be useful to get on the record.

In terms of STT's resources itself, we've got 16 dedicated class 3 firetrucks; three dedicated class 4 tankers, the quite large water sources during the fire season; 14 dedicated class 5 tankers; and 92 class 5 and 6 slip-on tankers that go on the back of utes. Then we've got a range of heli-torches that we undertake for aerial ignition processes as well.

In addition to our staff and our contractor workforce, which are available and ready, we run a fire roster. All our people who are fire-trained and our contractors that are available are on a roster through the fire season running from October through to March or April, depending upon the season. They are available for firefighting and rapid response to activities.

Mr Di FALCO - Okay. Potentially, if forestry is knocked out of the picture, the Great Pines Tier fire could be a recurring theme in future?

Mr ELLIS - Yes - and even road access was something we were talking about before. Because forestry operates in the landscape in this fire-prone bush - eucalyptus is some of the most fire-prone species you'll find anywhere in the world - that enables us to provide all sorts of access for all sorts of purposes and firefighting is one of them.

Look at the massive degradation that's currently occurring in Victoria at the moment with their contractors going out of business and their limited ability to do some of that work. That's a bad outcome for our forests. When you have cool fuel reduction burns that are able to help regenerate eucalyptus forests and are able to ensure fuel reduction, that's a good outcome for fire in that kind of bush. But when you have these out-of-control crown fires that wipe out tens of thousands of hectares and have no way of putting it out, that's the experience of some of these communities. South-east Australia, of which Tasmania is a part, is one of the most bushfire-prone places on earth and the risk comes from our forests.

I will pass to the team at STT if there's anything further.

Mr de FEGELY - Thank you, minister. It was a great question because the two are linked with, obviously, the equipment that our contractors have, but they have the skill. I'm sure you're aware of contracting capacity, but you can't take someone who's built dams or built roads with a bulldozer and put them in the forest and expect them to be able to perform like someone who's been there all their life.

This is a real problem we're finding in Victoria. There are all sorts of things unfolding that no-one really predicted, or didn't get an opportunity to mention to the government. Their firefighting forces have been depleted to a significant extent. One of the things that's a real problem in Victoria is, with the lack of - now that VicForests has been folded up is - they were collecting all the seed. We keep nearly two tonnes of viable seed of critical tree species in Perth. They don't do that in Victoria. So 15 per cent of the alpine ash forest, which is around 60,000 hectares, and there's only 380,000 hectares of alpine ash in Victoria, has been lost because it doesn't have the seed on the ground. It's not regrowing, so it's gone to another forest type and 25 per cent to 30 per cent of that is at risk.

I can say to members, if you'd like to watch *Landline* from the 22 June this year, it's on iView, please dial it up and have a look and you will see exactly what I'm talking about. This

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is a massive problem. Our Perth nursery, I think we carry \$2.5 million worth of seed every year. We collect annually nearly 700 kg of seed. That's for this very purpose, but also for regenerating our forests. We get over 95 per cent success in regenerating our forests into regrowth forest.

CHAIR - Mr Ferguson.

Mr FERGUSON - Thank you, Chair.

CHAIR - Sorry, Suzette, do you want to add quickly to finish off that question?

Ms WEEDING - I believe I misspoke earlier. The end of May is for our fire roster. We have 38 dozers available statewide through heavy machinery contracts for that purpose and it's 18 contractors who provide those sorts of resources to us.

Mr FERGUSON - Following on from the fire questions, minister and chair, the use of technology in better fire management, not just fuel reduction but also detecting outbreaks of fire as we approach the bushfire season. I seek your response on what your organisation, STT, is doing to invest in those new technologies, how it can support decision-making by human beings. I also seek your update because I don't get many questions from the rotation on the success of the TasGRN and I'd like to know the extent to which STT is satisfied with its performance and its ability to protect humans, critical infrastructure and, of course, the native and plantation sectors that you care for.

Mr ELLIS - Thank you, Mr Ferguson, and I note your special interest and your work as a predecessor of mine as Minister for Police, Fire and Emergency Management in that process and your commitment to our firefighters, whatever uniform they're wearing.

I am very pleased to share that the Sustainable Timber Tasmania team has been awarded a \$1.44 million grant to lead the creation of the Tasmanian integrated fire camera network. This important initiative is being delivered in partnership with the Tasmanian Fire Service, Tasmania Parks and the Tasmanian technology company Indicium Dynamics. When complete, the network will be Australia's largest integrated bushfire detection camera system. Together with cash and in-kind support from partner agencies, the project will have a total value of \$3.62 million. It's funded through round 3 of the \$1 billion Disaster Ready Fund, administered by National Emergency Management Agency, or NEMA, with contributions from both the Australian and Tasmanian governments.

This network will use advanced AI fire-detection cameras to provide real-time monitoring and early bushfire detection. More than 30 cameras will be installed across high-risk areas statewide, with all feeds integrated into a single centralised portal. This will significantly enhance our coordination between agencies, which is some of the best in the world already, and ensure faster, more accurate decision making and improving community preparedness.

In the short term, the project will deliver around-the-clock fire detection, helping to reduce costs and lower risk to life, property and the environment. In the longer term, it will support a more fire-resilient Tasmania by providing a scalable, technology-driven detection system that protects people, infrastructure, industries and ecosystems while reducing reliance on manual detection methods.

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Sustainable Timber Tasmania and Indicium Dynamics have already invested more than four years into developing advanced fire management technologies including AI-supported cameras, the internet of things, sensors and statewide long-range communication networks. The project builds on that work and represents a major step forward in safeguarding Tasmania against bushfire risk.

I will pass to the team from STT to talk through their experiences, one of our key partner agencies on the TasGRN, but certainly this is such a huge leap forward for Tasmania, to have the first of its kind in the world, an encrypted digital radio network across multiple emergency responders and land agencies is something that all can be very proud of.

Mr de FEGELY - Thank you, minister, and I will pass to my colleagues. AI detection has been a really interesting and exciting development for us in protection of communities and forests in Tasmania. I think last year - we have been working with Indicium, and we went to market to engage with Indicium as our digital partner in this. We have won a number of awards together with them for the work that we have done. We detected over 500 fires with these cameras last year and we do lead the country, in my opinion. I'm aware of what's going on in New South Wales and they do have AI cameras; they're using a different system, but I don't believe that they are in the same league that we are in at the moment. I commend our staff for the work they have done around this. We could potentially get to the point where we don't have manned fire towers so we can actually run through.

Mr FERGUSON - That's great. Could I get a response on the TasGRN? Are you satisfied with it? Is it working for you?

Ms WEEDING - Absolutely. We're very pleased with the functioning and the functionality of the TasGRN network. It has been a sizeable investment by both the, or all the entities, but largely by the state in terms of getting that network in place. Recently, some of the private forestry contractors have got access to their network as well, in order to increase and augment our ability to both respond, but also be safe out in the fireground out in the landscape. So it's been a game changer in terms of our increased ability to communicate and to remove some of those dead spots that we have had in the past with our old radio network.

Dr BROAD - So, STT is currently embarking on the tender sale process for the managed plantation estate as we've discussed. Pruning is obviously a key component of the management to produce clear hardwood timbers so that we can use those plantation sawlogs potentially for furniture, joinery, floorings and so on. Can you inform us if you're still pruning the plantation estate?

Mr de FEGELY - Our estate's mature, Dr Broad, so we're only establishing a very small amount of that. We will make a decision around pruning following this process to see whether it is economic to continue to do that and whether the industry wants us to continue to do it. So, at this stage, that's still a work in progress and we have our mind open as to what we will do. At this stage we've made no decision either to prune or to stop pruning.

Dr BROAD - Sorry, you didn't answer that. Are you still pruning?

Mr de FEGELY - No, because-

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Dr BROAD - Okay, so there are obviously long lead times with pruning before it's ready to become sawlogs. So, you are about to create an industry based on a pruned resource. How can the industry invest with confidence if there will potentially be a gap because, if you've stopped pruning, if you start pruning again then the future pruned logs won't be available for something like the next 20 years?

Mr de FEGELY - I will let the acting CEO answer. That's more of an operational question.

Mr HICKEY - Dr Broad, the current crop was pruned and is approaching maturity or is mature. That's the reason we are not pruning. It was pruned back when it was in its growing stage. The crop that we have in the ground, we are planning that on a sustainable rotation basis. Basically, if the outcome of our tender process supports pruning then when we recommence plantation establishment in a fully commercial view, we will make a decision as to whether to prune or not.

Dr BROAD - So, the pruned resource is ready. So it's been pruned, it's grown and it's ready. If you stop pruning, there will be a gap where there will be a supply issue because there's no pruned trees. If you're constantly harvesting a pruned resource, you will, in effect, be reducing your pruned estate with no pruned estate to fill the gap.

Mr HICKEY - The current estate is mature. It was pruned and is mature. We're planning to cut that estate, over a period, in a sustainable manner. If the returns from the current process are sufficient to support pruning, we will make the decision around pruning and continue pruning once the new crop is in the ground.

Dr BROAD - Yes, but do you acknowledge that there will be a gap, because the current pruned estate will then have to last until the next pruned estate?

Mr HICKEY - That's the plan.

Dr BROAD - There's a 20-year gap there. If you start today, it's going to take 20 years before the next lot are ready.

Mr HICKEY - And, as I said, we're creating the supply, over a sustainable yield, such that we will start pruning, and there won't be a gap.

Dr WOODRUFF - Minister, there's some out-and-out fearmongering that's happening here at the table from you and the chair, trying to pretend that there would be an increased fire risk to the state if there was no state native forestry company.

Mr de FEGELY - There will be. We're not pretending. We've seen it before.

Mr ELLIS - It's not scaremongering.

Dr WOODRUFF - Just listen to the truth.

Mr ELLIS - How many bulldozers do you own, Dr Woodruff?

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Dr WOODRUFF - The Parks and Wildlife Service, and Tasmania, would be responsible for managing the forest estate in the absence of a native forest company.

Mr ELLIS - Yes, it would be responsible without the capability.

Dr WOODRUFF - Minister, are you saying to Tasmanians that your government would just let the forest burn and not protect Tasmanians if there was no native forestry industry?

Mr ELLIS - Dr Woodruff, we will do everything that we can, but unfortunately, the reality is you have a massive reduction in capability for bushfire fighting services if you remove forest firefighters, because that is where the key risk comes from. That is where the expertise is. That's the business model that pays for it. The cost of more than 100 trained forest firefighters is enormous. The cost of the 38 bulldozers, all the trucks, the roading network that we need to maintain, bushfire breaks.

Dr Woodruff, we are seeing what happens when you remove the native forest sector, when you take people out of the bush in Australia, in places like Victoria. There's nothing fearmongering about it - it is the stark and grim reality that when you sack forest firefighters and you take away the business model, it is very, very hard for anything to step into the breach.

As I mentioned before, lines on the map and good feelings won't put fires out in a eucalypt forest. It will run and run and run. That's why we're so grateful for the work of our forest firefighters and the huge capability and experience that they bring. That's why I think it's imperative for the Greens in this country to understand that locking things up doesn't protect it - it simply changes a legislative arrangement. The thing that protects it is people who care about the forests and have the ability to take action when a fire starts.

Dr WOODRUFF - Well, minister, here's the fact. Last year, the government gave over \$12 million in subsidies to this company just to keep it afloat and so that it could pretend it had a \$1.8 million cash surplus. The truth is, native forestry in Tasmania has only existed for decades on the taxpayers' money. It's been on the teat for decades and it still is today. That money should be going directly into fuel reduction burns, keeping fire roads open, supporting the 100 forest fire workers who are currently working for the company but should be working for the state.

Do you agree that, whether or not native forestry occurs in Tasmania, the skills are there, the money is there, and if there is a will from the government, there is the capacity to do everything that currently happens within native -

Mr ELLIS - Dr Woodruff, the skills -

Dr WOODRUFF - Can I finish my sentence? Within the company, that should be just taken over to the government and run by the government - which wouldn't be at a loss, which it currently is.

Mr ELLIS - Dr Woodruff, when they shut down native forestry in Victoria, it has already cost the state \$1.5 billion.

Dr WOODRUFF - That's because of paying out to sawmillers, and multiple payouts.

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Mr ELLIS - So, that is your plan? That is your plan, Dr Woodruff?

Dr WOODRUFF - I'm talking about what your plan is, to keep Tasmanians safe with the \$12 million of money.

CHAIR - Order. Can we have the answer, please?

Mr ELLIS - My plan is to continue to deliver sustainable forestry. And because, Dr Woodruff, the community service obligation to STT is a pittance compared to what it would cost the taxpayer if it was paid through the state agencies. STT is profitable, it has been for eight years, and manages the land for multiple uses and multiple purposes. I can guarantee you, Dr Woodruff, that if you shut down native forestry, there won't be the skills, there won't be the money. These are the consequences of actions.

I know that you want to think that you can just appease inner-city Sydney and Melbourne in areas that they don't understand and that everything will be okay. But your community down the Huon is one of the most bushfire at-risk places where our forest firefighters work. My community in the north-west is the same. We have relied on our forest firefighters for generations, because they have the skills, the equipment and the business model that helps to pay for the firefighting in one of the most bushfire-prone places on Earth.

Magic fairy dust isn't going to do that, Dr Woodruff.

Dr WOODRUFF - How many firefighters and bulldozer operators that currently work for the company, how many of them do you think \$12 million in subsidies would buy? Do you recognise that this is a choice you're making to fund the destruction of native forest habitat that's required for threatened and critically endangered species instead of putting that into restoring forests and making them more fire-safe?

Mr ELLIS - We manage the forest in a way that actually reduces bushfire risk.

Dr WOODRUFF - It increases bushfire risk; it dries them out.

Mr ELLIS - Dr Woodruff, it reduces bushfire risk across the landscape - that's well understood - and then provides the capability to do that. STT provides community service obligations across a whole range of areas - fuel reduction, bush firefighting, roading, access for apiary, and a whole range of recreational activities and research.

Dr WOODRUFF - Great, and long may it continue. You don't need to trash forests that will drive species to extinction to do all that stuff that Tasmanians are already paying for. We pay for it to happen. Just keep it going. Just keep it going.

Mr ELLIS - You are in the process of trying to shut it down, Dr Woodruff, and yet 'long may it continue'. Well, I can tell you how long may it continue. If the federal Labor government didn't do a deal with the Greens to shut Tasmania down -

CHAIR - Order. Order. Excuse me, I'm speaking. That means nobody else speaks. We will move on to the next question. Mr Garland.

Mr GARLAND - Thank you. What formal consideration has been given to the Central Coast Council's request for a ban on logging in the Dial Range?

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Mr ELLIS - Thanks, Mr Garland. I met with the Central Coast Council in the last week or two, and appreciated their advocacy and their approach. As I mentioned then, and as I mentioned on Tuesday, forestry, mining and public recreation have coexisted successfully in the Dial Range. Indeed, forestry operators in the Dial Range are believed to have been operating in that area since about the mid-1800s. There are, in fact, tramways in the Dial Range, and the report into the Dial Range Management Plan notes that the tramway formations remain, but there's little evidence of the early forestry operations today. I think that's a real credit to the work of our forebears in forestry and the way that they manage the land. It is often noted how beautiful some of these forests are that have been planted and restored by our foresters.

We've been receiving feedback from the council. In total, the Dial Range area is about nearly 6000 hectares. Sustainable Timber Tasmania is responsible for the management of a small section, about 300 hectares, of permanent timber production zone land to the far south of the area. That equates to about 5 per cent of the total forest area, or the total area overall, and any forest activity supports the multiple-use value of the Dial Range area for the local community and the economy.

We've got a strong track record of mixed-use, including, I know, the discussion around mountain biking. STT and mountain biking have worked successfully across a range of different areas - the Blue Derby Wild projects, of course, the Wild Mersey operates in and around forestry land and, of course, the Maydena Bike Park.

I will pass to the team at STT to talk through further about consultation and that part of the state.

Mr de FEGELY - Yes, we have been in consultation with the Central Coast Council on a number of occasions, but I will ask my colleagues to give you a more detailed answer.

Ms WEEDING - In terms of broad engagement, we've been engaging with Central Coast Council and other stakeholders around coupes in the Dial Range for quite some time now. We've received their input as part of that consultation process, and appreciate that they've made us a direct request to the minister, which the minister has responded to.

Mr GARLAND - Has the value of the Dial report been read and considered in the context of their request, and will there be any opportunity to engage and consult with the community, or are we tied to a decision made 12 years ago with absolutely no room for movement?

Mr ELLIS - Thanks, Mr Garland. I have been briefed on the value of the Dial report. One of the things that we'd note is that a diverse regional economy is the best pathway; it's forestry and tourism rather than forestry or tourism. That leads to the best outcomes for our community. Certainly the north-west coast and central coast in particular has a proud forestry industry and it's important that people are supported to go about their lawful business.

You're right, this area was agreed. Even after the TFA, which locked up hundreds of thousands of hectares across the state, this area was agreed -

Dr WOODRUFF - High conservation-value forests.

Mr ELLIS - Well, much of its regrowth, Dr Woodruff -

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Mr GARLAND - Minister, is there -

Mr ELLIS - This area was actually agreed, even in that process, to be included as part of the harvesting schedule. I think it's important to note that our foresters have given up significant lands. This is an area that has been agreed for harvesting and there are many people in our community, Mr Garland, who rely on being able to work in the bush, sustainably manage our forests, and do so in a mixed way that also supports other benefits.

Mr GARLAND - Can I take it from that there's no room for movement, then, to respect the wishes of the community?

Mr ELLIS - There's many in our community who support forestry, Mr Garland.

Mr GARLAND - I know that, but there's a lot who don't in that area there. There's bushwalkers, there's mountain bike riders, there's old people. I was there on a Sunday morning and the place was busy for the three hours I was there. They had motorbike riders and bike riders, and the overwhelming feeling from the council and others in their community is that you should be stepping away from that and respecting their wishes.

Mr ELLIS - Mr Garland, I mentioned before that forestry and tourism access are complementary in many ways. Many of our mountain bikers -

Mr GARLAND - Many would disagree with that, minister.

Mr ELLIS - They may do, but the most famous mountain biking that happens in Tasmania happens in areas of forestry. In a mixed, diverse regional economy, much of the road access that's provided for many of these operations is on forestry roads.

Mr GARLAND - They come here for our forests to ride amongst them, not to see them knocked down and burned alongside. That's the difference.

CHAIR - We'll move to the next question from Mr George.

Mr GEORGE - Thank you, Chair. Let's hope I can get something; I'd like a reasonably calm, rational response to this if possible.

CHAIR - So would I.

Mr GEORGE - The minister says it is well understood that native forest logging reduces the risk of bushfires. I wonder if he would respond to the position of the distinguished professor, David Lindenmayer, who quotes a lot of peer-reviewed studies that show that logging increases fire severity and there's a number of reasons for this. Removing mature trees leaves large amounts of debris and slash. This material dries quickly and acts as fuel, making forests more flammable. Younger regrowth forests burn more intensely. These impacts are compounded by climate change, which we all know we're suffering at the moment. He talks in his papers about the fact that logging operations are in fact unsustainable for a whole bunch of different reasons, not only for timber supply but for public safety and ecological resilience.

Here is a professor who's written more than 1000 scientific papers, 49 books and has shaped international policy on forestry debate, so how can you claim that native forest logging

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and the industry is providing safety against forest fires, when clearly it's actually increasing the danger of forest fires?

Mr ELLIS - Thanks, Mr George. There is a number of countervailing views in the scientific community, particularly in support of native forestry and the important impact it has on protecting the community and the forest from fire. I will pass to the team at STT to talk through some more of that expert advice.

Mr de FEGELY - Thank you, Dr George. I'm well aware of Professor Lindenmayer's views in relation to this.

Mr ELLIS - It's not Dr George, by the way, it's Mr George.

Mr de FEGELY - Oh, sorry.

Mr GEORGE - I didn't even make it to university so I can't be a doctor, but thank you.

Mr de FEGELY - As far as I'm aware he hasn't done any field trials so it's a theory.

We would love to remove more of that slash as much as we can without removing coarse woody debris or depleting the nutrient cycle in in our forest so that we can protect it. We know that at a localised level you'll get an increase in fire behaviour, but at a landscape level there's no difference. The late Associate Professor Kevin Tolhurst was at pains to explain this and he's written papers around it.

Forestry Australia has also reviewed Dr Lindenmayer's paper and don't agree. I don't know of any frontline operational foresters who agree with his view and they're the ones out there putting their lives on the ground. I've asked plenty of them if we've got it wrong and the answer is no.

In my opinion, actively managing our forest is the way to protect them in future because we have people looking and learning every day in our forests for different things.

Our greatest challenge - and this drives me - is that we have 8 billion people living on our planet who deserve three meals a day, to be adequately clothed and adequately housed. We're not doing that today. We all have to play a part in how we do that. Having a mixture of production systems - our system is done with the greatest amount of care and planning. We aim to have a production system that has plenty of wildlife around it, and we admit that; that's the point. What we're trying to do is create forests that have lots of wildlife and lots of biodiversity.

We go out there every day trying not to harm them. That's why we surveyed 30,000 hectares of forest for wedge-tailed eagles and why we know we've got 790 wedge-tailed eagle nests, why we found more giant trees. We're continuing to look in our forests to find these things.

In answer to an earlier question, if we didn't have the income from the sale of log products, the cost of maintaining our firefighting force, just the people, would be more like \$15 million to \$16 million per year. The government pays us only \$12 million, so that works out at about \$14 a hectare, or just under \$15. The last time I could work out what New South

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Wales National Parks' cost factor was, it was about \$120. I'm sure you can do the maths on that as to what that cost would be.

The problem is not only the cost to the community to manage these areas, but you lose all the skills. As I mentioned earlier, we can't take somebody who hasn't been working in the forest to put them in there in an extreme situation to fight a bushfire if they're not trained to do it.

Mr GEORGE - So you're saying Professor Lindenmayer is wrong?

Mr de FEGELY - I disagree with him.

Mr FERGUSON - Minister and chair, I want to take you back to the decision overnight that has been made that Tasmanian jobs don't matter and Tasmania should be the whipping boy for the consciences of mainland politicians. I want to ask about a comment you made earlier, minister, that Australia is a net importer of timber, which is an appalling statistic when you think about national policies, where the rhetoric is all about a future made in Australia and grown in Australia.

The table that we're seated at is clearly native timber. Anybody opposed to native forest production should not be leaning on this table, or using it or enjoying it or looking at it - and this will be what's denied in the future.

I want to ask you to speak to the importance of the mix of forest types that are sustainably managed in Tasmania and how we can ensure that value continues to be enjoyed by Tasmanians while at the same time being cared for responsibly as good environmental stewards.

Mr ELLIS - Thanks, Mr Ferguson. You're right, the fact that we are a net importer of timber in this country is crazy. We have the third most forest per capita of any nation on Earth and yet we're importing timber. It would be different if it wasn't such a wonderful product, but we have to remember that timber sequesters carbon naturally. It is delivering all sorts of environmental outcomes. It's the thing we look to when we say we're going to phase out single-use plastics. We look to forest products when we want to build homes, when we want to do things in a way that is architecturally beautiful or just sustainable and affordable.

For the federal government to talk about a future made in Australia and then today be making decisions that put one of our key manufacturing sectors at risk is simply irresponsible. We know that if there are no RFAs there is no native forestry. We will look through the detail of this, but to knock out from the very base the foundation stone of the way we manage forests sustainably in this state and many parts of the country is deeply irresponsible.

That's what happens when you make dodgy deals with the Greens. The Labor Party will need to be taking a good, long, hard look at themselves and how they let this happen.

In terms of that mix, Mr Ferguson, you're exactly right. We need that right mix between native forests, between plantation and then our comprehensive, adequate and representative reserve system - our permanent native forest estate policy that we have in this state that helps us to ensure that the forest that we're conserving is actually being conserved, while we're able to create jobs in other parts of our production forest. The timber that we use in our homes will often come from native forestry. The beautiful Tasmanian special species that I know almost

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every Tasmanian you talk to is absolutely so proud of, Tasmanians need to know that comes from sustainably managed native forests. People love it all around the world, whether it's wooden boats, architectural features, or some of the amazing craftworks that Tasmanian craftspeople have been putting in homes around Australia and across the world for generations.

On the other side of things, our plantations are helping to provide an income for small-scale farmers and improve animal husbandry and other opportunities there, to our industrial growers that make sure that there's enough fibre for the things that we need in product classes as broad as paper to chipboard to a whole range of other important areas. It's why we need a diverse forest sector. That's what we have in Tasmania at the moment. That's what we won't have if we shut down native forestry and if there are no RFAs in this country then there is no native forest sector.

That is what the federal Labor government is potentially putting at risk. So, we will be working closely with the industry, with unions, with businesses to understand exactly what has been decided in this deal with the Greens.

Dr BROAD - Lost time injury frequency rate for contractors was 15.01, I think, in 2024-25, well above the target of less than or equal to 10, and significantly worse than employees at STT. What specific actions are being taken to address this issue amongst the contractors and why do you think this is happening?

Mr de FEGELY - Safety is a critical issue for us and, as a board, it is the first report we look at every board meeting as to how safety is performing and what the trends are. Our contracting workforce has been a challenge in terms of safety, but we have been working very hard on it. Unfortunately, some accidents have happened, not necessarily all of them in the forest, which I'm sure you're aware of. We do take it very seriously. We have a dedicated team led by Theresa Weller up in the north-west, who I'm sure you know, and we work on that every day. I will hand over to the acting CEO who might like to give you a bit more detail on that.

Mr HICKEY - For quite some time we have had a very intensive program with our contractors around safety in the leading safety circle. It is a program which has been part of our staff processes for some 20-odd years now and we made a decision a couple of years ago to extend that to our contractors. That involved closer working relationships with the contractors around safety. These initiatives have improved the processes and the activities on site and led to better outcomes for safety than we had in previous years. So, while we missed the target this year, there were a couple of significant incidents in relation to that, but most of them were minor incidents, we continue to work closely with the contractors on their safety through forest operation safety plans, through learnings from accidents and incidents and those sorts of things to assist them to perform and to make their worksite safer every day.

Dr BROAD - Are contractors under significant financial pressures at the moment?

Mr HICKEY - We've had a downturn in production and I think it would be fair to say that there are some contractors who are finding it financially difficult.

Dr BROAD - There were a number of Victorian contractors who came into Tasmania and began operating. Are they still in Tasmania or have they exited Tasmania? If they have, why do you think they've exited Tasmania?

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Mr HICKEY - There was one contractor from Victoria who was successful in a transport tender with us two to three years ago. They do not operate here now. As to the reasons that they left, that's really a matter for them. They were operating with sufficient quotas and things. That was a decision that they made, I think, in managing from Victoria.

Dr BROAD - Do you think that STT is paying contractors at a level that allows them to continue to operate?

Mr HICKEY - In terms of the rates that we pay contractors, they are negotiated with the contractor and it's an offer-acceptance agreement that forms part of the contract. So those rates aren't prescribed by STT. They're negotiated with the contractors and would be acceptable to the contractor in entering the contract.

CHAIR - Final question, and then we will get to Dr Woodruff.

Dr BROAD - Are those contractor rates also based on a production model the STT has?

Mr HICKEY - They're based on a model the contractor puts forward. We have a similar model, which we compare, and there is a negotiation to establish the rates.

Dr WOODRUFF - Chair, you mentioned in your opening remarks that your company found one giant tree this year.

Mr de FEGELY - One additional one.

Dr WOODRUFF - One employee from the Wilderness Society who's in the room with us now has submitted data for over 60 giant trees this year alone - extra giant trees. Can you explain that difference and why your employees only found one when citizen scientists have found more than 60 on their own?

Mr de FEGELY - No, I can't personally because I'm not in operations. I will ask my colleagues as to understanding that. We have a definition of what a 'giant tree' is and where we measure them, so there could well be a difference in how they're actually assessing them.

Suzette, do you have a view?

Ms WEEDING - It depends on where they're looking and where they're evaluating in terms of undertaking those assessments. It's certainly a standard process that we undertake in evaluating trees as production coupes are being evaluated. My assumption would be that they're probably getting ahead of us in terms of looking at our three-year plan and going out and assessing those coupes ahead of time. We welcome that information. We absolutely take into consideration the information. We will go out and further validate information that we receive in relation to giant trees and confirm them or otherwise, as part of that process.

Dr WOODRUFF - Through you, minister. Will you get back to the person who provided that information with the results of your assessment?

Ms WEEDING - We can do if they request it. Usually, it's sent to us as an FYI-sort of thing; the information that we receive. Certainly, we maintain a register of giant trees on our estate and we undertake that evaluation process.

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Dr WOODRUFF - Minister, the current high-quality sawlog contracts expire in 2027 and as a result of decades of overlogging there is a predicted supply cliff fall at that time. It's an open secret that discussions are occurring to lock in native forest high-quality sawlog contracts to 2040 - and with the RFA exemptions now ending, there's a high risk that -

Mr ELLIS - An 'open secret'? We announced it in an election campaign. Far out.

CHAIR - Sorry, minister, I can't hear the question. Continue.

Dr WOODRUFF - I will go back.

With the RFA exemptions now ending, there's a high risk that Tasmanian taxpayers would be liable for millions of dollars of contract payouts if contracts are signed but native forest logging is not viable because it wouldn't be getting approved by the new federal environment laws. Minister, will you pause any negotiations about extending contracts to protect taxpayers?

Mr ELLIS - There's a whole bunch of things that are wrong in your question, Dr Woodruff, and I'm happy to work through that.

On its face, the first one is the claim around transparency on this supply project. We have announced it at election campaigns. I've spoken openly about it. I mentioned it two days ago and we want to lock in certainty for our native forest sector. We've said that we're looking to do that out to 2040. We think that's a great opportunity and it's really important as well that it's noted that the reason there's a reduction in high-quality sawlogs in 2027 is because Labor and the Greens locked up a whole bunch of timber in the early 1990s, which is why they then went and planted -

Dr WOODRUFF - Because Forestry Tasmania has been mismanaging forests for decades.

Mr ELLIS - plantation trees to then provide the high-quality sawlog through that process. So it's a reduction based on deliberate government decisions that were made in the early 1990s under another Labor-Greens deal.

I think for the Tasmanian timber industry, it's part of the reason there is such concern about the decision that was made this morning because we've seen this movie before. We've seen communities dislocated, schools shut down, people thrown out of work, and businesses destroyed. It happened in the 1990s, it happened in the early 2010s, and I think there were a lot of people in our community who voted for Labor members on the basis that they thought their jobs were going to be safe with them. Now we're seeing you crowing about the shutdown of native forestry based on the deal that was signed this morning. So, in terms of -

Dr WOODRUFF - Do you recognise the risk to taxpayers if you go ahead with signing contracts that may not be viable.

Mr ELLIS - Absolutely we recognise the risk. No, Dr Woodruff, this is an enormous risk to taxpayers. The decision that Mr Albanese has made with the Greens is an enormous risk to taxpayers. It's an enormous risk to business. It's an enormous risk to regional communities -

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Dr WOODRUFF - It's protecting our environment. Just to the question, minister.

Mr ELLIS - and it will have a crazy outcome where we will need to import even more timber as a country because, if you shut down RFAs, you will shut down the native forest sector in this country. So, Dr Woodruff, absolutely there is a massive risk that's come from what you've just done.

Dr WOODRUFF - Are you going to pause or stop the contract negotiations in this space?

Mr ELLIS - Dr Woodruff, we are going to be working through this process. We want to provide certainty to our timber industry and the regional communities that it supports. We will be working very closely with industry -

Dr WOODRUFF - Make sure that \$300 million goes to workers -

Mr ELLIS - businesses. Oh, Dr Woodruff.

Dr WOODRUFF - and not to industries that have been getting paid out so many times.

Mr ELLIS - \$300 million of go away money. It is a disgrace, and it cost \$1.5 billion already to shut down the Victorian native forest sector.

CHAIR - Minister, we will go to Prof Razay, thank you.

Prof RAZAY - In Tasmania so many businesses are struggling; they require high-quality sawlogs. I have two questions here. My first is, what proportion are low-grade logs and what do we do with them, do they turn into chips? My second question is, our silvicultural regeneration from the 1970s, when are they going to be contributing to sawlog supply? I think that is important for the sustainability of our businesses in the future.

Mr de FEGELY - Thank you, Prof Razay, that's a really good question. We can give you a breakdown of high-quality, low-quality sawlogs, they're regarded in categories. But, the regrowth topic's a really important one. We have done some trials in our 1970s regrowth and those trials of trial thinning, and the log production from those has been very promising. We have sent those to our customers and they have felt that they met standards, which is wonderful to know. We're continuing to do that and look at how we might actively manage those regrowth forests and that is part of our future.

I can pass to the acting CEO to give you some more detail on the breakdown. Mind you, this last year has not been a good indicator; because of the housing downturn, everything's down.

Mr HICKEY - Professor, I will go back to 2023-24 as it's probably a more representative year. In terms of high-quality sawlog, there was about 108,000 cubic metres for that year. In terms of the low-quality sawlogs, which are category 2 and category 8 specifically, there were 73,000 of those for the year. We also sold in the order of 30,000 tonnes of peeler logs. Partly they are for supply to Ta Ann for turning into veneer, but also they were supplied into the pallet market. So, again, another low-grade sawlog. In addition to those we also supply poles for

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Hydro. We supplied Koppers with around about 3800 poles a year to support our electricity transmission around the state.

Dr WOODRUFF - You didn't answer the question about how much of it gets turned into woodchips.

Mr HICKEY - In terms of woodchips, it's about on average about 75 per cent.

Dr WOODRUFF - Seventy-five per cent of ancient forest gets turned into woodchips. High conservation value forests, habitat for critically endangered species.

Mr HICKEY - Seventy-five per cent of all the wood we harvest.

CHAIR - Dr Woodruff, I understand you're interested in this.

Mr ELLIS - What's your house made of, Dr Woodruff? It probably doesn't sequester carbon.

Dr WOODRUFF - Eighty-two per cent in the last year.

Mr ELLIS - Eighty-two per cent of it is what?

CHAIR - Order. Enough. Please, can we have a little respect for each other around the table.

Mr Di FALCO - Minister, over a decade up until September 2020, the Sustainable Timber Tasmania website provided hunting access maps showing that the majority of the PTPZ public land that you managed was allowed to be hunted on. Why was this area suddenly reduced to just a fraction of what was previously available? Since then, for the past five years, there has been almost no improvement to access, even though, during this time it states on your website that you're working on new maps?

Mr ELLIS - This is certainly an important area. I think there's some good opportunities for us to work even more closely with some of the other public land managers to improve the hunting experience for people. We manage the land for multiple uses and there's a real Tasmanian way of life element to this. People have hunted on these lands for generations and there are ways in which to appropriately access that land, through a valid game licence or permit, firearms licence and permission to shoot from Sustainable Timber Tasmania. They're undertaking an operational review into recreational hunting with a focus on future areas and map accessibility. I will pass over to the team at STT to talk through further.

Mr de FEGELY - Thank you, minister. Great question because I mentioned earlier that the feral deer are a challenge, as all introduced species are. So, how do we go about managing that? I have some good experience in New South Wales of how they manage it, which I'm hoping we might be able to reproduce here. For example, the central west region, which is just west of Sydney, during peak periods they will record over 300 hunters a day logging on to hunt in state forest. That's a massive challenge and it is done through the game licencing authority.

I think there are lessons that we can pick up from there. There are also good lessons from New Zealand and how we would work with the Department of State Growth and NRE and others to ensure that we have a safe environment for hunters: how people know where people

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are, where our operations are, what is proficiency for hunters to ensure that animal welfare is maintained and to ensure that we have a process whereby it's managed and controlled, which I'm sure would be in your best interest.

Suzette, you know more detail of this than I do.

Ms WEEDING - I think it's part of the complexity of managing forests for multiple use with multiple users and we are finding more and more the demand on the forest from a whole range of users is increasing. I guess that's reflected in the areas that we currently have available for hunting on permanent timber production zone land and the maps that you would find on our website for that availability.

We are undertaking a review, as was indicated there, and it's an ongoing process. We've recently engaged with the NRE around some areas that they have identified or are in the process of identifying, as potential additional deer-hunting areas, particularly in the north-east, but some in the south, on some of their conservation tenures that allow for hunting to occur. Part of that is looking at the adjacent permanent timber production zone land that we manage and seeing where we can maintain some synergies and potentially provide larger areas in that space.

Part of our evaluation process is looking at - I mean, our forestry operations are obviously a key part of that, but - what other users are using those areas. We do have forestry right holders, we have lease licence holders across that land. It's a complex evaluation process as you might imagine. In addition we look at the natural and cultural values that are in those areas as well and how we manage those, for instance, the existence of wedge-tailed eagle nests and the like.

So, it's a complex process, but we are open and engaging in that space. We have 12 areas that we are currently evaluating, so we are working through that with NRE and we can hopefully come forward with some additional areas consistent with the government's indications.

Mr Di FALCO - You mentioned safety. Have there been any instances of safety incidents recorded involving members of the public, such as bushwalkers or forestry workers, due to recreational hunting on this land?

Ms WEEDING - None that I'm aware of.

Mr Di FALCO - So, basically, hunting is a pretty safe occupation or recreation that's not really much of a threat to the public?

Ms WEEDING - No. I agree, and that's part of why we work through this process.

Dr WOODRUFF - Well, shooting guns off at random, people could be walking around, nothing to - no problems there.

Mr Di FALCO - I live in a rural area and I hear gunfire all the time, and I have done since the beginning of the 1990s. That's never been an issue to me. I tell you what is an issue to me: the 2013 big fires down at peninsula -

Dr WOODRUFF - Chair, is this a statement from the member or a question?

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Mr Di FALCO - No, well you asked about - hang on, you asked -

CHAIR - Order, can we just let Mr Di Falco finish and then we will move quickly on to Mr Ferguson. Thank you.

Mr Di FALCO - You asked about fearmongering or genuine danger; in 2013, the Dunalley bushfires started 500 metres away from my front door. In 2014, another bushfire came over the top and almost reached my property -

Dr WOODRUFF - Chair, this is not an answer to a question, with respect.

CHAIR - Dr Woodruff, please, can we let him finish, then we will move on to Mr Ferguson, but it is a statement, Mr Di Falco.

Mr Di FALCO - Okay. Last year's season I was at Ouse and I heard on the radio that there was a fire at Forcett as well. Then there was the Nugent fire. As soon the wind stopped blowing, my whole house was covered in [inaudible]. Those are credible dangers.

CHAIR - Thank you. We understand that. We're moving on to a question from Mr Ferguson.

Mr FERGUSON - Minister, I want to go on to the apiary industry and beekeepers. Lindsay Burke AM is a member of my electorate; he's an upstanding Tasmanian -

Mr ELLIS - And former firefighter, believe it or not. He's a man of many talents.

Mr FERGUSON - He's a man who has given much to Tasmania, and his wife, Yun Soon [TBC], in establishing their apiary business. He's one of many and often represents the sector. Noting that there's been a cutting of red tape in a different portfolio, NRE, which has been welcomed by Mr Burke and his sector, what is STT specifically as an enterprise doing to support this important sector so that we can enjoy yet another product from our native forests: honey, not just domestically, but also for our exports?

Mr ELLIS - Thank you Mr Ferguson. I had some beautiful leatherwood honey on the oats yesterday morning.

Mr FERGUSON - I'm not aware of any good honey from plantation forests, but I'm open to the challenge.

Mr ELLIS - I think I'm going to disappoint you.

You're right, Tasmania's apiary sector is a vital part of our state's environment and economy. Sustainable Timber Tasmania is committed to supporting its growth and its resilience.

First and foremost, STT facilitates access to public production forests for beekeepers. These forests are home to key floral resources such as leatherwood, which underpins Tasmania's world-renowned honey industry. By maintaining and managing these areas, STT ensures that beekeepers can continue to access these areas essential to their livelihoods. Currently, STT leases 249 apiary sites to 61 local beekeepers and manages approximately

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139,000 hectares of leatherwood resource, a bit less than 13 per cent of the total accessible leatherwood resource across the state.

In addition to access, STT is investing in infrastructure improvements. This includes maintaining roads and tracks that allow beekeepers to reach remote sites safely and efficiently, and ensuring apiary sites are managed in a way that supports long-term sustainability.

Technology also plays a key role. STT is working with industry partners to explore digital mapping and monitoring tools that help identify and manage floral resources more efficiently and effectively. These innovations include improved planning, reduced conflicts over site use and ensure that apiary resources are managed in line with broader forest management objectives.

Community engagement is another important aspect and Sustainable Timber Tasmania consults regularly with the Tasmanian Beekeepers Association and individual apiarists to ensure their needs are understood and incorporated into forest management plans. This collaborative approach builds trust and ensures that apiary operations can coexist with other forest uses.

Together, these measures - access, infrastructure, technology and collaboration - demonstrate STT's commitment to supporting the apiary sector by protecting floral resources, improving site management and embracing innovation, they are helping to ensure that Tasmania's honey industry remains strong and sustainable.

Mr de FEGELY - Thank you, minister. I will pass to Suzette; but obviously, Mr Ferguson, as I mentioned earlier, we have about 249 apiary sites, we support about 8000 hives producing around 220,000 kilograms of honey, which we assess is around about \$4 million worth of value to the Tasmanian community. Suzette, would you like to make some comments?

Ms WEEDING - Thank you for the question. We work collaboratively with the Tasmanian Beekeepers Association and beekeepers in and around - in relation to our harvesting operations, but also, more generally, in relation to our land management activities. In 2024, in addition to what the minister has already spoken about, which I won't repeat, we reissued the apiarists with new 10-year licences as well, so they have that surety in terms of the sites that they're managing and the resources they have available to be able to continue their very important industry.

Dr BROAD - You would be aware of this document that I have from Hamilton Calvert Advisory, who are chartered accountants, forensic insolvency and turnaround small business specialists, that reviewed a contractor's arrangements with Sustainable Timber Tasmania. Part of the issue talked about the negotiation with volumes and pricing. This advisory says:

We note that the amounts provided are based on a model that returns to a 70,000 tonne whole wood target volume. However, it is critical to acknowledge that the business was reduced to 50,000 tonnes in October 2023 without corresponding adjustment to rates.

Why haven't you adjusted your rates to take into account the reduced volumes that weren't in your cost model?

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Mr de FEGELY - Thank you, Dr Broad. I'll ask our Acting CEO to make a comment around that.

Mr HICKEY - Dr Broad, that was an oversight, to start, in terms of the reduction of the volume from 70 to 50, which wasn't recognised either by the contractor or my staff for approximately 12 months. In relation to that oversight, we have provided an additional payment to the contractor, based on what was calculated as an interim rate and what was the rate applied. That's already been paid to them in compensation for that difference.

There was a process in place, finally, to try to establish - because it concerns one component of that contractor's operations - to establish the rates for those. In the end, we couldn't agree on those, so that component of the contractor's operations has been suspended, with their agreement.

Dr BROAD - Sorry, if you could clarify what component that is, in your answer to this as well. This document also says:

Certainty in scheduling and volume is essential if the business is to continue investing in specialist equipment and retaining critical skills. Now, as the only cable logging operator in the state, the expectation that this business should continue to shoulder the risk of reduced volumes, alongside environmental constraints, market volatility and scheduling changes beyond its control, is prejudicial to the business, unsustainable and untenable. So, how can this business survive?

Mr HICKEY - To correct you, Dr Broad, it is not the only cable operation in Tasmania. We have one other, which operates in the native sector, and there are others in other parts of the industry. I'm sorry, I missed the rest of your question.

Dr BROAD - Well, this document says, 'How can this business survive?' It says as well:

The expectation that this business should continue to shoulder full risk of reduced volumes, alongside environmental constraints, market volatility and scheduling changes beyond its control, is prejudicial to the business, unsustainable and untenable.

So, how can this business survive?

Mr HICKEY - There's always a choice in entering into these contracts. The contract was entered into in 2022. There was no coercion on the contractor to enter into the contract that was offered. It has those conditions. Those conditions have been in all our contracts for many, many years.

We have, in good faith, tried to negotiate with the contractor for a successful outcome for the cable component. We haven't been able to do that. We have successfully negotiated with them for a ground-based component, which they are operating, and we accepted their rates. The cable remains suspended. They're not incurring costs on that operation.

Dr BROAD - This document also says:

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Furthermore, it must be stated unequivocally that the income currently being received does not cover fixed costs, let alone variable costs.

Do you think, in the current contract that you've just mentioned, that this has been rectified?

Mr HICKEY - We've agreed with the contractor for a rate they specified, which we were happy to accept.

Dr BROAD - When was that?

Mr HICKEY - July. It's now operating - one part of the contract, not the full contract - at the rates which the contractor offered and we were comfortable to accept.

Dr WOODRUFF - Minister, you've been trying to say two things to the committee today at the same time. You've been saying that we need to be worried about timber imports coming in from elsewhere, and you're also saying that native forestry makes all these products that we use in Tasmania every day. In reality, Tasmania exports the majority of its native forest products. We export hundreds of thousands of tonnes of woodchips overseas and we give thousands of cubic metres of peeler logs to companies like Ta Ann, who leave them to rot in their yards.

Can you tell us, in all honesty, what the amount of timber from native forests in Tasmania is that is being exported?

Mr ELLIS - Thank you, Dr Woodruff. In Tasmania we're fortunate, we are actually a net exporter of timber. That's part of the reason why we are so concerned that federal government intervention could make Tasmania like the rest of the country, where we are importing our timber products to meet timber demand. That's the thing that you and the other Greens don't seem to understand: you won't stop demand for timber, because people love and value timber. They understand it's sustainable, it's renewable, it captures carbon naturally, and it can be grown right here, it can be processed right here. We have a strong future -

Dr WOODRUFF - To the question.

Mr ELLIS - Well, your question was about exporting, we're a net exporter of timber in Tasmania, and that's a good thing.

Dr WOODRUFF - Could you give me the number, please?

Mr ELLIS - Happy to follow up. Obviously, STT is a part of our timber industry, it's less than 50 per cent, and we don't have our forest policy people here at the table with us.

Dr WOODRUFF - Can the company tell us what percentage is exported?

Mr ELLIS - Look, happy to pass to STT.

Mr de FEGELY - From our operations?

Dr WOODRUFF - Yes.

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Mr de FEGELY - Yes, that's all, because we can't talk for the private sector.

Mr HICKEY - The most obvious one is the woodchips. Last year it was around 750,000 tonnes. We sell all our wood to local processors. They source the markets. In terms of whether any other product gets exported, that's entirely a business decision for our customer.

Dr WOODRUFF - Thank you. You have confirmed that 82 per cent, last year, of the company's native forest timbers were exported as woodchips?

Mr HICKEY - Not just the native forest, the 748 contains plantation logs as well.

Dr WOODRUFF - Okay. What percentage of production is high-quality sawlogs? I have the figure of 1 per cent, could you correct that or tell me another one, if that's not correct?

Mr ELLIS - I'm happy to pass to the team from STT. It is important to note that fibre has a range of different uses; a lot of it's used in our homes. As you plan to phase out single-use plastics, I'm not sure how you plan to do that, other than timber products, and those timber products go through the cycle as woodchips. That's the amazing thing about trees is they can be used for a whole range of different purposes. I will pass to the team from STT to talk through the breakdown, if it's available.

Mr HICKEY - Sure. So, 130,000 cubic metres of high-quality sawlogs were sold this year, nearly 200,000 cubic metres in total sawlogs.

Dr WOODRUFF - Can you just give me the percentage of product that represents?

Ms WEEDING - We don't have that information.

Dr WOODRUFF - Could I take that on notice, please?

Ms WEEDING - I'm sure you could calculate it based on the annual report.

Dr WOODRUFF - Could I take it on notice so you could provide me with the correct figures, in case I make a mistake?

Mr HICKEY - If you look at our annual report, the figures are there.

Dr WOODRUFF - Could you show it in the annual report, please?

Mr HICKEY - It's a public document.

Dr WOODRUFF - Okay, so could you read it out to the committee? What percentage of high-quality sawlog timbers does the amount that you read -

Mr HICKEY - I read the figures. There's no percentage there, but the figures of each of the products that we sold are there for everybody to see.

Dr WOODRUFF - Are you trying to hide something?

Mr HICKEY - I'm inviting you, Dr Woodruff, to make the calculations yourself.

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Dr WOODRUFF - Could you just provide the percentage to the committee so that people who are on the broadcast can understand what it is? Can you just provide it for people who are on the broadcast, so they don't have to get their own calculator out. A simple question: you're the company, what proportion is high-quality sawlogs?

Mr HICKEY - Nearly 200,000 of our total product was sawlogs.

CHAIR - We will move on.

Dr WOODRUFF - You're still not answering the question.

Mr ELLIS - It's not 1 per cent.

Mr GARLAND - STT's communication and stakeholder engagement policy states that STT will obtain valuable feedback and input which will be considered in decision-making. Your ministerial charter also requires you to build and maintain trust and support by acting in a socially responsible manner.

Over 100 people have registered as stakeholders with STT for the Dial Range coupe. Hundreds more have spoken against these logging plans, and 73 per cent of stakeholders interviewed for the Value of the Dial Range report believe that forestry cannot coexist in the Dial Range. The Central Coast Council has taken the unprecedented step to request logging be banned in the Dial.

My question to STT, through the minister, is, how is this demonstration of opposition featuring in your decision-making around whether to continue to log in this area and what are the countervailing considerations, if any?

Mr ELLIS - I will pass to the team from STT, but, as I mentioned before, this was an area that was agreed to be on the harvest schedule even after the Labor-Greens lock-ups of 2012 or so. It is important that the parliament's decision is recognised. I will pass to the team from STT about community engagement.

Mr de FEGELY - Thank you, minister, and I will pass to Ms Weeding for a comment.

We are working with the coupes that were provided to us from the Tasmanian Forest Agreement, which was settled under a previous government, and we have had the commitment via our minister and via our charter that they are the coupes that we have to work with. We are always happy to look around, but we have commitments to industry and to jobs in Tasmania to ensure that we maintain supply and that's in legislation. So, we don't have a lot of opportunities to move around in different places.

The minister, to his credit, opened up FPPF for comment a bit over 12 months ago, prior to the 2024 election. No-one supported him to look at that where there is regrowth that could have swapped some of those coupes. Unfortunately, that support didn't happen but if people want to produce areas that can replace those coupes, as chair, we'll certainly look at them. But there is a process which has to come through both Houses of parliament to ensure that that can occur. We do not have a lot of flexibility, I'm sorry to say, but we don't have a lot of flexibility.

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Mr GEORGE - I think whether you're green, red or blue in this state or, increasingly, independent, the majority of Tasmanians are actually focused on and concerned about the logging of old-growth forests - those primary forests that have never been logged before. I'm wondering if you can tell me what percentage of forests in the current three-year plan will be old growth?

Mr ELLIS - Probably worth mentioning as well, Mr George, that that's not quite right. Old growth is different to virgin forests and -

Mr GEORGE - Maybe you could split it into the two for me then?

Mr ELLIS - Yes, and because forestry happens on such a huge amount of our landscape it's such a credit to our foresters that people think that harvested areas are actually virgin forest. I think that is a real credit to our foresters in times gone by and continue to operate.

Currently, Tasmania contains 1.2 million hectares of RFA-mapped old-growth forest. Eight per cent of old-growth is on permanent timber production zone land managed by Sustainable Timber Tasmania. Of this, 4 per cent, or less than 26,200 hectares, is available for harvest in provisional coupes. In 2024-25, 360 hectares of old-growth was partially harvested on permanent timber production zone land. Eighty-five per cent of Tasmania's old-growth is in the comprehensive, adequate and representative reserve system that I spoke about before. I will pass to the team from STT if there's anything further.

Ms WEEDING - It is a great question. One of the things to be aware of in our three-year plan process is that there is what we term 'provisional coupes,' so they're much larger than the areas that we will actually harvest at the end of the day. It's an area identified that we may harvest over the next three years. The three-year plan is, essentially, a view of three years, but it's updated annually and we work through that process.

We don't have a figure specifically on, I guess, the amount of old-growth in those particular coupes, but recognising that we work through quite a comprehensive system evaluation of each of those coupes when they come onto our production schedule - even before that - part of our planning schedule, we work through an evaluation. We look at the values in those coupes and old-growth and mature forests are a key consideration in that space. We work through, I guess, our policies, our procedures, the requirements of the forest practices system to come up with the final harvest area from which we will harvest, which will be much less than the actual provisional coupe area.

Mr GEORGE - I think you should be able to provide some sort of guidance about the percentage? I mean, of what you have planned and of the complete areas you're talking about and then the areas that you would plan to log. It's a major focus of almost everyone I talk to.

Ms WEEDING - I think one of the key components to it - as has been run through in terms of the figures - is what we actually harvested. The areas that we harvested in the last financial year which, as the minister mentioned, it was partially harvested - 360 hectares. It's a fairly small proportion of old growth that is actually harvested, at the end of the day.

Mr GEORGE - Looking forward over three years?

Ms WEEDING - I don't have that number.

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Dr WOODRUFF - Conveniently, don't have numbers.

Mr ELLIS - You're not listening to the answer.

Dr WOODRUFF - It's interesting for a company that should be on top of the figures.

Mr FERGUSON - Minister and Mr de Fegely, the report talks about harvest and regeneration. The report says:

We are committed to ensuring that harvested areas are regenerated or reestablished so forests can regrow for future generations. In 2024-25, harvesting operations occurred on less than 1 per cent of the land we manage.

It goes on to talk about some of those statistics. In the same page or the next page, it deals with a couple of other statistics: 100 million locally sourced native seeds sown, and a statistic that we're not hearing in the news - 99.5 per cent regeneration success rate achieved.

The question goes to asking how you will inform the committee of how STT has performed those outcomes, and how can STT, in partnership with government and its pro-forestry minister, do a stronger job of helping the community and even federal politicians to understand the success of regrowth in our native forests and regeneration?

Mr ELLIS - Thanks, Mr Ferguson. I think it is timely. Obviously, Mr George, I think it's an opportunity to reconsider regarding the quality of the regenerative work that's done.

People often mistake regrown forests, at whatever stage they are - mature, old growth, regrowth - for virgin forest. We have extraordinary capabilities in terms of regeneration here in Tasmania, and that's a real strength. STT has an excellent record in ensuring that our forests regenerate after harvesting, and the work is central to the commitment to sustainable forest management. In 2024-25, STT harvested less than 1 per cent of the land it manages for wood production, covering approximately 5804 hectares.

Every hectare is regenerated, either through reseedling, planting, or natural regeneration methods, to ensure forests return to production condition. The results speak for themselves. As you mentioned, Mr Ferguson, in 2024-25 STT sowed over 100 million native seeds across harvested areas - 100 million - and achieved a 99.5 per cent regeneration success in its assessed sites. This is clear demonstration of their commitment to sustainable forestry and ecological resilience.

In short, STT has performed strongly in regrowth and regeneration. The work ensures harvested forests are returned to productive, healthy conditions, supporting both the environment and the industries and communities that rely on them. It's a clear demonstration of Tasmania's leadership in sustainable forestry, as well. Importantly, regeneration is not just about trees; it's about restoring healthy ecosystems. STT invests in monitoring soil health, biodiversity, habitat values, and to ensure regrown forests support wildlife and maintain ecological balance.

Tasmanians can have confidence that STT's forestry activity is carried out to the highest standards, including its commitment to regrowth and regeneration.

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I will pass to Mr de Fegely.

Mr FERGUSON - Chair, if I may, before the question or the answer passes across, the question also was how we can do a stronger job of the communications here? Clearly, federal politicians, some state politicians, and a whole lot of confused mainland voters, don't know this. How can we get the message through?

Mr de FEGELY - Thank you, Mr Ferguson. It's a great question. Unfortunately, the very good example of this was a comment by Dr Woodruff that our forests are being destroyed. Well, if you pick up any dictionary, you can find out that 'destroy' or 'destruction' means gone - lost forever.

Dr WOODRUFF - That's true. That's exactly what I meant.

Mr de FEGELY - That's not the case, Dr Woodruff, that's not the case. Our forests still exist and they still stand. Harvesting changes a forest - it changes the structure, but it does not destroy them. What really destroys them are out-of-control wildfires, and they were destroyed all over the country following the Black Summer. We are working on developing a process around our communications to improve that so that people understand the broad range of things we actually do to manage our estate. If we did not have the income from log sales and wood products, then the cost to this state to manage PTPZ alone would probably be well over \$100 million a year - to do it well and to do it properly. I'm sorry, Dr Woodruff, I realise -

Dr WOODRUFF - You don't stand on your own two feet.

CHAIR - Dr Woodruff, can we -

Mr de FEGELY - Dr Woodruff, sorry, can you show some respect, please? I'm answering a question from Mr Ferguson. Thank you, Chair.

CHAIR - Yes, if you continue to answer the question and address it to Mr Ferguson.

Mr de FEGELY - As I mentioned, we are working on our communications to help people to understand. As was mentioned earlier, forestry is complex, so there are lots of variables, lots of things. Humans understand complicated things better than they do complex things. Where you have lots of variables, they're not particularly difficult to understand, but how they interact is. Our forests have many variables that go into making them work and the dynamics that they have in them, and we try to manage all of them. It is not always easy to do, but we have computer systems now that allow us to do that, to do our planning.

I'll hand over to Suzette, but I think our results stand for themselves. Our forest estate is still there and still intact, and it's continuing to grow, which it will do. Thank you.

Ms WEEDING - Thanks for your question. In terms of engagement and communications, it is clearly an integral part of what our organisation undertakes.

This past year we launched our Take a Closer Look campaign, where we've encouraged stakeholders to actively engage in and around our operation on the sorts of things that we do, and to ask questions. The portal that we have set up, which is still available on our website or

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through our website links, enables stakeholders to ask questions about our particular activities, and we provide responses to those questions.

It's been part of our broader collaborative stakeholder campaign around building trust and strengthening relationships, enhancing that transparency, which is really important in terms of what we do, and promoting a deeper understanding of what it is we do and why we do it, how we manage the forests, and all the various things that we undertake on permanent timber production zone land, of which harvesting is a small but very important portion of it. We manage 800,000 hectares. There's a lot of land out there that's managed for a whole range of uses. It's something that we need to continue to promote, and we will continue, through our communications campaigns.

Mr ELLIS - Mr Ferguson, probably on the specifics of your question at the back end there, I believe Tasmanians do understand forestry really well, which is encouraging. That's why we often see strong support for forestry supporters at elections. In inner-city Sydney and Melbourne, it is a challenge. I often reflect that *Clarkson's Farm* has done a lot to educate people about farming. I wonder whether something like a 'Clarkson's Forestry' or something like that might be helpful. As for Tasmanian politicians who have sold out forestry, I think they do understand, but I think this is a cynical decision based on trying to play up to inner-city Melbourne and Sydney.

Dr WOODRUFF - Chair, this has been an already very long answer from that side of the table to a Dorothy Dixier.

Dr BROAD - In August 2024, STT provided advice to government through the FFAP that the volume of Cat 4 and utility Huon pine in the stockpile was 320 cubic metres. What is the current volume of Cat 4 and utility sawlogs in the stockpile?

Mr de FEGELY - I'll ask my colleagues to answer that, thanks, Dr Broad.

Ms WEEDING - We have about 260 cubic metres of Category 4 and utility sawlog maintained in that stockpile.

Dr BROAD - When was the last time that Cat 4 and utility sawlogs were added to this stockpile?

Ms WEEDING - It's been some years. Three, four years, something in that realm.

Dr BROAD - Given the average yearly release of sawlogs from this stockpile, how many years' worth of supply of Cat 4 and utility sawlogs remain in the stockpile, as of today?

Ms WEEDING - To do the math, it's another percentage question, I think, from that side of things. In terms of the sales, we've had a number of small sales of resource from the stockpile in the last couple of years to local sawmillers. I'd have to do the numbers and come back to you on that one.

Dr BROAD - So, you have no idea of how many years' worth is left?

Mr ELLIS - I think that's a bit unnecessary, as far as verballing.

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Ms WEEDING - The important thing is it's upon request of those sawmillers, so it's not being released as such, it's available resource. We look at it on request from those local sawmillers and make it available through that mechanism. It's not a supply over a number of years, if that makes sense, in terms of a sustainable eking out of the wood resource. It's as they've requested it, we've made that resource available. It's generally related to particular projects or things that they want to obtain that resource for.

Dr BROAD - What is the total dollar amount earned from this stockpile sales by log category in 2024 and 2025?

Ms WEEDING - Just the category 4 and utility, in the order of \$67,000.

Dr BROAD - Do I have one more?

CHAIR - Yes.

Dr BROAD - In August 2024, STT advised the government that, despite the value of the stockpile being \$2.75 million, no documented management policy existed for this asset. Did any sales or policy rules exist for this asset? Has the policy for the stockpile management or sales been developed since that advice? If so, can the policies please be provided to the committee?

Ms WEEDING - No, there's been no change.

Dr WOODRUFF - Minister, yesterday polling confirmed that only 12 per cent of Tasmanians support native forest logging. Do you concede the industry does not have the confidence of the support of the community?

Mr ELLIS - Look, Dr Woodruff, I mean, Wilderness Society push polling - I don't hold a very high stock in it. If you do, that is your right, of course.

The Tasmanian people have been very clear at election after election there's strong support for the native forest sector in this state and consumer choice as well. We see the desire for Tasmanians to have Tasmanian timbers is huge and growing. We think that that's a clear demonstration of the support for the sector. Obviously, you can wave around all the Wilderness Society polling that you want as far as push polling, but I think the results speak for themselves. Tasmanians love Tasmanian timber. They support the people who work in the industry, and they want to make sure that the bush is looked after in the way that sustainable forest management does at a landscape scale.

Dr WOODRUFF - It's interesting that you continue to live in a delusional bubble.

The Lonnvale area -

Mr ELLIS - Well, I don't know how much support you got at the last election, Dr Woodruff, but it wasn't 88 per cent.

Dr WOODRUFF - We got an increase, you didn't.

Minister, the Lonnvale area -

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Mr ELLIS - I'm sorry, Dr Woodruff, I think we had the biggest swing towards us.

Dr WOODRUFF - You didn't.

Mr ELLIS - Man, you're having a bad committee today, far out.

CHAIR - Order. Let her finish the question please.

Dr WOODRUFF - The Lonnvale area was listed as a swift parrot breeding area until 2012 when the overlay that designated that status mysteriously disappeared. The Forest Practices Authority was forced to intervene in 2021 after citizen scientists recorded swift parrots in these forests. Instead of reinstating that swift parrot important breeding area, the state's forestry company has approved new logging plans for the area. Did the company request that the swift parrot important breeding area not get reinstated because it was going to hurt the financial bottom line?

Mr ELLIS - Thanks, Dr Woodruff, I will pass to the team from STT.

Mr de FEGELY - I will ask my colleagues, it is an operational question.

Ms WEEDING - I don't know if that's true in terms of the removal of the swift parrot important breeding area. I know it was proposed, but I don't believe it was ever put in place in that area.

Dr WOODRUFF - I understand it was.

Ms WEEDING - Okay. Subsequently, it has been put forward as a swift parrot important breeding area and that's been evaluated by the state. In terms of the area itself, the adaptive management system of the forest practices system provides for management of values in the forest. That is what we apply in relation to our harvesting operations in those particular areas. It's probably more of a question for the Forest Practice Authority in terms of the specifics, but that's the process that we go through in terms of harvesting operations in that area.

Each of them is evaluated on a coupe by coupe basis. There is consultation that is undertaken subsequent to initial planning evaluation on those coupes in terms of assessing habitat and potential habitat values for not only swift parrot but a whole range of other species. That is a quite a comprehensive process - that evaluation, in terms of developing a forest practices plan, includes relevant consultation, as required by the forest practice system with the Forest Practices Authority who engage with other experts and as required.

Dr WOODRUFF - There's one coupe in that area, DNO23H, that included provisions for retaining swift parrot habitat. Can you tell me why hundreds of hollow-bearing trees over one metre in diameter were logged in that coupe, contrary to the Forest Practices Plan and what is the status of the ongoing compliance investigation from the regulator about that breach?

Ms WEEDING - I am not aware of that one.

Mr HICKEY - Is there an investigation?

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Dr WOODRUFF - I understand there is. Can you explain why so many hollow logs were clear-felled in that coupe?

Ms WEEDING - I am not aware of that investigation or that accusation being put to us or to the Forest Practice Authority.

Dr WOODRUFF - Hundreds of hollow-bearing trees over one metre and you're not aware of this in the swift parrot breeding area? Can I put it on notice, please?

Mr de FEGELY - Yes, you can.

Mr ELLIS - Chair, just before we do, can I note as well our Chair, Mr de Fegely will have to head off at 1.00 p.m. but we're happy to answer questions for the rest of the committee. Everyone else will still be at the table, but just our chair.

Mr Di FALCO - Minister and chair, I share your deep concern on today's federal government announcement putting jobs and livelihoods at risk. I completely understand the emotional levels. Tasmanians in regional communities whose jobs, small businesses and family incomes depend on a stable forestry sector, let alone the bushfire risks. What concrete steps will you take to ensure that Canberra's decision doesn't come, once again, at the expense of regional Tasmanians' livelihoods and long-term economic security?

Mr ELLIS - Thanks, Mr Di Falco, I really appreciate the sentiment there from you and I know that there are many people in your electorate of Lyons who would appreciate that as well. It's important that we have champions for people who don't necessarily have the loudest voices that aren't connected to the media class and that sort of stuff, people who are just going to work every day supporting their families and communities, so I appreciate the sentiment.

As far as government, we're strongly supportive of our forest sector. The RFA has been the underpinning for native forestry for decades. If there's no RFA, there's no native forest sector, and that means there's no jobs in it. We will be working closely with industry, business and workforce to understand exactly what is being proposed at a federal level. You can expect very strong advocacy from team Tasmania and I encourage everyone with an interest in this to be part of team Tasmania. This won't be just a Liberal thing or it won't just be a large company thing, it will be something that will be important for so many people - everyday mums and dads and people across this parliament - because forestry gives so much to this State of Tasmania. It has done for over a century and it's uncertain times.

People will remember, even just the mental health strain of what happened a little over a decade ago under the last Labor-Greens deal and the impact that that had on good people all around our state who suddenly had their lives upturned in ways that, hopefully, many of us can't even imagine.

I will pass to the team at STT. If there's anything that you can say that's appropriate, I understand there's limitations.

Mr de FEGELY - Obviously, we need to see more detail, Mr Di Falco, and I appreciate your sentiment. We are working with a natural resource and aiming to combine our operations naturally with conservation and production. We are at the forefront of that, therefore, we bear,

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probably, an unfair burden in relation to that. Very few people take the time to come out and have a look at some of our regrowth forests and you're most welcome to do that.

We will put through our team and the rest - and I agree with the minister, across government - through the departments, to understand what these new rules and regulations will mean. I have every confidence in our regulatory system, which the minister's already mentioned is probably one of the best in the world, certainly the best in Australia, and I've worked in every state, and our systems for management, mapping our forests, and the way in which we go about caring for them and protecting them.

Mr Di FALCO - Just a follow-up question. Can you assure us that it will be possible for our unique special timbers to continue to be available to our boat builders, furniture makers, wood-turners and musical instrument makers?

Mr ELLIS - Thanks, Mr Di Falco. This is the thing - a *Nitens* plantation is not going to make any of those things, and *Radiata* pine is the same. These special species are an important part of Tasmania's intangible cultural heritage. The way that the community flocks to the Wooden Boat Festival, I think is a demonstration of the overwhelming support. When Tasmanians give each other Christmas presents, they give each other Tasmanian timber, and particularly the species that you mentioned. These are often species that come from old forests, because they take a long time to grow. Then even to the extreme, Huon pine, which is only now a salvage resource and is something that we need to work extremely hard to find, that timber that's able to be taken away and milled.

We have an important overall picture for special species - we have a management plan and a special species working group that's important to work through. STT has been a long-term supplier of special species in the past, and as the model and the landscape that STT has to manage has changed, that has put a lot of that volume into different land parcels, things that are managed by Parks and others, but we do still have an important role to play.

I will pass to the team from STT to talk through special species.

Ms WEEDING - It's an important part of our ongoing resource base and obviously something we're very aware of, in terms of stakeholder interest in this space. We have recently been working quite collaboratively with special species stakeholders and are currently looking at a number of coupes to undertake a trial around individual selective special species harvesting in those operations. That will hopefully add to supply and availability of those important timbers.

Mr GARLAND - Through you, minister, I would like to hear from STT directly as to what efforts they have made to reopen the track to Wes Beckett Falls since it was closed in 2016. It has been closed for nine years now, yet the images of Wes Beckett Falls are still used for tourism promotional purposes of the north-west. You have a statutory role to ensure your land continues to be accessible and available for multiple uses to support economic growth, which includes tourism.

Could you identify the cost of works to this point, and table any cost estimates for clearing the section of the Mount Bertha Road to get access to the falls?

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Mr ELLIS - Thank you, Mr Garland. I note we've corresponded on this as well, but happy to pass to the team from STT in terms of further detail.

Mr de FEGELY - Earlier we talked about the \$12 million that we get each year - \$4 million of that goes to fire prevention and the other \$8 million we try to spread across all our 800,000 hectares. We do work on roads and tracks, and a couple of years ago we worked on, I think, the Mersey Road out to the Walls of Jerusalem to repair some bridges there so people could get access to that area, because of stakeholder feedback that we wish to do. Wes Beckett track has some challenges, and we have a very small amount of money to spread around the whole estate to do it. I will ask my colleague Suzette, or Greg, to make a comment. Thank you.

Ms WEEDING - Thank you for the question. We appreciate the continued interest in access to the falls. The information I have is that we've invested considerable resources into reopening Mount Bertha Road, access to the Wes Beckett Falls from Tarkine Road is closed from the junction of Sumac Road and Mount Bertha Road.

In the interest of public safety, the track remains closed and should not be accessed. This is due to the high risk of branch and tree fall in the area and the location of the track adjoining several cliff edges. Unfortunately, we don't foresee safe access to the reserve and access to the falls, and we visited it recently, in 2024, and it confirmed that the conditions aren't changed. So, we don't intend to undertake anything further in that area.

Mr FERGUSON - A question on research, please, Chair. Minister, in your opening statement you referred to, I think, 31, or some number like that, research projects that STT is currently involved in. It is 31?

Mr ELLIS - Yes, that's right.

Mr FERGUSON - Thank you. I'd like to hear how important the research is for the future of the industry. The second part of the question is, what's the current arrangement between STT and the University of Tasmania's Cooperative Research Centre (CRC) on forest value and the extent to which that is the basis for those 31 projects?

Mr ELLIS - I will pass to the team from STT shortly. We certainly recognise the importance of scientific rigour in fostering effective conservation and biodiversity outcomes, meeting the demands of society, maintaining sustainable practices in forest harvesting, and improving operational efficiencies. Well, it's actually mandated in the Ministerial Charter, which we've just recently updated, and it says:

The following core activity should be performed by the Corporation:
land and native forest management, comprising research and development to support ongoing forest management and wood production activities.

Research at STT is supported by adopting research, partnering with research agencies and other land managers to deliver research, delivering and facilitating research projects, funding projects through both cash and in-kind contributions, providing access to field sites and experienced employees, supervising and supporting postgraduate students, assisting with

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university undergraduate teaching and other activities, and helping set sector-wide research priorities.

We proactively contribute to a range of research projects in collaboration with industry and research partners. I will pass to the team to talk through some of those specifics and any further areas that you'd like to add.

Mr de FEGELY - Thanks, minister. Again, it comes back, Mr Ferguson, for the question, being part of our limited funds as to how much we can spend each year on research. There's lots we'd love to do, but we do try to prioritise, and partnering is an important part of what we do. I will ask the acting CEO or Suzette to make a comment on where we are up to on those.

Mr FERGUSON - And, while looking for the notes, how UTAS fits into the mix of institutions. No doubt there are others.

Ms WEEDING - Our collaboration with other research providers is a particularly important component of our research strategy and our research approach. The vast majority of research undertaken, I guess, at a national level by the forest industry, is undertaken in collaboration with research institutions and researchers. Very few organisations actually have their own internal capacity to undertake research in their own right anymore. It's devolved to that model. That model has provided that additional surety and that academic rigour in terms of the research and the extension work that's undertaken in that space. Certainly, that's something we've captured within our research systems and our processes in working in collaboration with those researchers.

As the minister mentioned, we've got 33 research projects currently underway, at a total value of \$16.3 million. We don't fund all of that, of course. That comes through a range of funding sources, through Forest Wood Products Association (FWPA) and others, who provide for industry-based funding for research projects. We collaborate and work through those research priorities from an STT or from a public forest management perspective, both plantation and native forest.

Dr BROAD - Getting back to the Huon pine stockpile, once the stockpile has exhausted Category 4 and utility logs, what's STT's plan to continue to supply Huon pine?

Mr ELLIS - Thanks, Dr Broad. This is certainly a challenging area, because Huon pine can't be harvested as live trees, and so it's a scarce, rare and extremely beautiful and sought-after resource.

STT has, in previous years, facilitated the salvage of small quantities of Huon pine from the Teepookana Plateau on Tasmania's west coast, and the availability of accessible resource on the Teepookana Plateau is largely depleted. It's also available in stockpiles at Island Specialty Timbers in Strahan, and small quantities are available as wooden boat boards through the Wooden Boat Board Bank. Huon pine, largely speaking, is salvaged from logs discarded during harvesting activities in the 19th and 20th century, because, of course, we don't do those live harvesting activities anymore. Sustainable Timber Tasmania does not harvest those, other than in rare cases, to facilitate access, or for safety.

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There is a trial that's being funded through an election commitment that we've made - \$50,000 for heli harvesting. It's important to note that there's a range of different opportunities that exist outside of land that STT manages. Of course, some of it is not on land, it's under water. I will pass to the team from STT to see if there's anything further.

Mr de FEGELY - Thank you, minister. Again, sort of very operational, so I will ask my colleagues to provide an answer for you.

Ms WEEDING - I think the clear answer is that the additional resource will probably come from tenures other than what STT manages. We will manage the stockpile, we will have opportunistic salvage of Huon pine as it comes up, so occasional turn up in rivers and some of the lake areas where we have salvage rights. Otherwise, there's no current intention to recommence activities up on the Tikkawoppa Plateau. It has a whole range of challenges associated with areas up there. We have probably one small area, so it's largely exhausted in terms of the accessible area up on the plateau, and it has a whole range of access issues in getting back out there. At this stage, there's no intent to recommence activities on the plateau itself.

Dr BROAD - Did Island Specialty Timbers make a profit or loss, and if so, what was it for 2024-25?

Mr BROOKWELL - In the last financial year they made a small loss of \$21,000.

Dr BROAD - Recent announcements on social media by non-government organisations claim that a number of forest coupes in the Styx area appeared to have been removed from the harvest schedule. One of those coupes, which is TN 050G, is a special timber management unit rich in celery top pine and scheduled for selective harvesting. Can you please advise the status of this coupe? Has it been removed and, if so, is that a permanent removal?

Mr ELLIS - Just to confirm, that's TN 050G?

Dr BROAD - Yes.

Ms WEEDING - No, it hasn't been removed from our harvesting schedule, as such. It's a coupe that still requires roading. It's partly regrowth and partly rich in celery top pine, so there are two components to that coupe. It's one that we are still working our way through.

Dr WOODRUFF - I'd like to provide an opportunity for, perhaps it was Ms Weeding or someone else, to correct the record on the question I asked before. We have advice, in writing, from the Forest Practices Authority that there is a current investigation underway for coupe DN023H for the clearing by the company of swift parrot habitat. I'd like confirmation that you're not aware that you're currently being investigated by the Forest Practices Authority, because that's what I took from your answer? Also, have any fines been paid by the company to the Forest Practice Authority for breaches to forest practice plans for the past five years?

Ms WEEDING - As I mentioned, I wasn't aware of their investigation for Denison 27H. My team has told me that -

Dr WOODRUFF - 23H.

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Ms WEEDING - Sorry, 23H. My team has told me that it is with the Forest Practices Authority and that there is a complaint that has been made to the Forest Practice Authority. There is a process that the FPA works through. No breaches have been substantiated. We've been asked for additional information, and a complaint has been put to the Forest Practices Authority that they will work their way through. I suggest the questions are probably best faced for them, in terms of that component.

In terms of the fines, we will try to come back to you before the end of scrutiny.

Dr WOODRUFF - Otherwise, I will take it on notice if you don't, is that okay?

Ms WEEDING - It's on the public record through the Forest Practices Authority annual report.

Dr WOODRUFF - Thanks, but if you can come back, that would be great. Through you, minister to the chair, who looks like he's about to leave, so perhaps there's someone else who can answer the question. Does the company supply logs from Tasmanian forests to Victorian companies as whole logs, and does it sell to any Victorian government-owned or partly owned enterprises?

Mr de FEGELY - Thank you. Dr Woodruff, I will hand that over - that's an operational question. There have been logs sold to Victoria, but most of that's come from private property. We've sold trial loads to Victoria in the past, but that was some years ago now. Our aim and definitely our policy, which was very clear in our log contracts that we will provide Tasmanian-based businesses with log supply. We are not intending to supply Victoria, New South Wales or Queensland with any logs.

Dr WOODRUFF - Is that a definitive none at all? Or you will pass it to Ms Weeding?

Mr HICKEY - The chair is correct. Our logs are sold to companies here in Tasmania.

Dr WOODRUFF - None are sold to a Victorian company and none are sold to Victorian-owned or partly owned government enterprises? There's no supply going from Tasmanian native forests to Victorian companies or Victorian government-owned or partly owned enterprises.

Mr HICKEY - All the logs are processed by companies here in Tasmania.

Mr ELLIS - It's also worth mentioning, Dr Woodruff, that your question makes clear the point that I was making before, that you can ban native forestry, but you can't stop the demand for timber. The approach is clearly a dud in Victoria because there's still very strong demand from Victorian consumers and businesses and it simply doesn't work. The massive unintended consequences that they are having to work through currently, still means that they are importing timber.

CHAIR - Final question, Dr Woodruff.

Dr WOODRUFF - I talked about whole logs. Does Forestry Tasmania sell any native forest from our state forest to companies in Victoria? Do logging and cartage companies from Victoria book the ferry to cart logs or any other product from Tasmania across the Bass Strait?

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Mr HICKEY - As I said before, Dr Woodruff, all our logs are sold to customers here in Tasmania. We are aware that there have been sales to Victoria from private, where the ferry would have been booked to transport those logs, but in terms of STT sales, they are all to customers here in Tasmania.

Mr GEORGE - This question is for the minister. I think it's unwise for you to reject the recent polling about native forest logging as 'push polling', particularly since it comes from a company that your government relies on a great deal for its own polling -

Mr ELLIS - But, those who commission the polling - those who pay the piper call the tune, Mr George.

Mr GEORGE - Well, let's face it, if you use that polling company, I assume that you assume they're ethical. Anyway -

Mr ELLIS - Mr George, if we paid for the polling, you'd probably disagree with it as well.

CHAIR - Minister, can we hear the question, please?

Mr GEORGE - I hope you don't take this as a Dorothy Dixier.

Your blanket support for this industry rings hollow when back in August you referred to rolling back the so-called 'wood bank' because that was 'in line with community expectations'. They're the words that you used yourself. You were accused, at the time, by the Labor Party of being cynically political to get back into government. Where does the decision to roll back the Future Potential Production Forest Fund or the wood bank fit with your blanket support of the industry now?

Mr ELLIS - Thanks, Mr George. It's important that the Tasmanian native forest sector has a bright future and it will be on the land that -

Mr GEORGE - And community support, which is what I'm asking about.

Mr ELLIS - We've already spoken about some of the reasons why we are seeing significant and strong community support over generations for forestry in Tasmania -

Mr GEORGE - Which is now collapsing.

Mr ELLIS - Well, look, that's your assessment, obviously.

Mr GEORGE - We know it is. It's not an assessment. We know it is.

CHAIR - Mr George, can you please give the minister the chance to answer the question?

Mr ELLIS - Thank you, Chair. I'm not trying to be combative. I'm just stating the facts that parties that support native forestry are the ones that have received the lion's share of the vote over decades in Tasmania.

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Are there always opportunities for us to improve? Absolutely. I think some of the testimony today from our team has really shown how forward-looking and ambitious Tasmanian native forestry is to make sure that we're continuing to deliver the products that Tasmanians are demanding and needing, and also do so in a sustainable way both environmentally and financially.

In terms of the strategy that we spoke about after that decision, we made it really clear we want to grow the forest sector. It will be on the public footprint that we have currently and then looking to increase value-adding in the sector. That's something that I hear consistently in our community that they are looking for a greater value add from our forest products. I think even the Greens have notionally suggested that that's something they would support.

Also, the opportunity to unlock further value on private land, because when you look at private growers in Tasmania, they already provide the majority of timber products, which clearly shows that this is a strong and financially viable industry for our state and there are also opportunities to unlock further. On one hand we have our public forest manager, STT, which provides an exceptional amount of timber and does an exceptional job. On the other hand, you have our larger industrial plantation growers, and they are also very competitive in the market playing the export space and do an excellent job.

Then, in the middle, there's an opportunity for particularly our smaller landholders - our farmers and we're working with TasFarmers and Private Forest Tasmania - to really unlock some of that value creation for those local farmers and local communities around our state. You and I both represent a significant number of people who have opportunities on their property for greater timber production and also silviculture.

One of the things that many farmers have started taking up is the opportunity for thinning in their forests that they own that can actually improve forest health and deliver a timber product that the Tasmanian, Australian and world markets want and need.

I think it's important that we get the balance right. That's why we spoke before about the mix that we have with native plantation and reserve tenures. We'll continue to work through -

Mr GEORGE - Where does that fit with the decision to roll back the wood bank, the 40,000 hectares?

Mr ELLIS - As I mentioned before, we think that that the opportunity for growth in forestry is around value adding on the land that we currently have access to and then supporting private growers to bring more timber to market and improve their value adding as well.

Mr FERGUSON - Minister, and in the chair's departure I might ask if the acting chief may be able to respond. I want to draw the discussion to a focus on safety and worker safety. I noticed that the annual reports last and this financial year indicate an improvement for both employees direct and contractors and improvement in lost time, injury frequency. Whereas the improvement for employees was significant, it was halved. The injury rate was halved and came in under the target, but not so for contractors.

The question is twofold. First, what is it that STT has been doing as an employer that you believe has made worker safety a priority and has led to that improvement? By the way, very pleasing to hear the board reviews that matter first on its agenda every meeting, as it should,

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so well done. What is it that STT may be able to contribute to the contractor community to help it also to improve continuously its regime for worker safety so that everybody is taken care of?

Dr BROAD - I already asked that question.

Mr HICKEY - Thanks Mr Ferguson. It's pleasing the improvement we have seen in safety over quite a long period of time. As mentioned earlier, we have spent an enormous amount of resource in both funds and staff time with Safety Circle bringing their programs to bear not only on our own staff, but also the with the harvesting and transport contractors and now more broadly with our silvicultural and roading contractors as well. We're working closely with them to improve operations.

One of the things that we have done recently in response to an incident, as an example, was around fatigue and how we're now approaching the contractors to be more focused on fatigue, alterations to their work hours, those sorts of activities, to bring them more in line, make their operations safer, and continue to improve as we go along.

It is a dangerous activity. As I said earlier, most of the incidents that make up the five LTIs in this current statistic are minor in nature. Unfortunately, there have been two major ones. We're pleased that the severity of the incidents is decreasing, as well as the improvement in the target and our current contractor statistic is 10.69, which is just outside our target. On the basis of continuing to work with them, we expect this year that the contractor target will be well and truly met.

Dr BROAD - STT has carbon sequestration projects registered under the Carbon Farming Initiative. Are these projects on private land, in partnership, or are they on public land? How are these agreements established and contracted?

Ms WEEDING - Our carbon projects are on permanent production zone land, so undertaken in accordance with the appropriate regulator.

Dr BROAD - Is there intent to expand the use of carbon sequestration projects in the future?

Ms WEEDING - We continue to look at them on a case by case basis. The ability to generate carbon credits on permanent production zone land is fairly limited based on the methods that exist. So, it's a conversion of short rotation to long rotation plantation or an avoided conversion mechanism by which we can generate those rights. We also have a reforestation on Bruny Island, which is also generating carbon rights. On a broad scale, it's fairly limited, but it's something we will continue to consider as part of our operational strategy.

Dr BROAD - Can you estimate the proportion of your workforce - FTEs, for example - who are engaged in these projects in terms of establishing, monitoring, reporting and so on?

Ms WEEDING - It would be a couple of people in terms of that have at least part capacity in that space. We have a team that heads up research in that area. That is essentially two FTEs in that sort of space, but they cover a whole range of aspects.

Dr WOODRUFF - Minister, if Forestry Tasmania employees identify or observe a threatened species in PTPZ land, are they obliged to report it via the Natural Values Atlas as

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soon as possible? Could you tell me what the timeframe is and whether Forestry Tasmania has a policy to ensure that that occurs?

Ms WEEDING - It depends on what the value is. Individual sightings are not necessarily recorded on that Natural Values Atlas, but certainly key indicators such as wedge-tailed eagle nests or swift parrot nests that we identify on permanent production zone land are reported to both the Forest Practices Authority, if it's in relation to a harvesting operation, or to the Natural Values Atlas.

Dr WOODRUFF - Thank you. Why are individual sightings not recorded, especially if they're not just like flying overhead.

Ms WEEDING - Depends on what it actually is. If it was a devil den, something that is, I guess, a long-going use of the land, then absolutely that's recorded and kept. Largely opportunistic sightings of animals, we don't specifically have a requirement to report those through. We can, but we don't have a specific requirement.

Dr WOODRUFF - Did you have a policy?

Ms WEEDING - No, we don't have a policy.

Dr WOODRUFF - You don't have a policy about how to upload or record things to the Natural Values Atlas?

Ms WEEDING - No.

Dr WOODRUFF - Why not?

Ms WEEDING - Because we don't.

Dr WOODRUFF - When citizen scientists provide information to the company, there's no process - there's nothing to tell people who are working in the company what to do with that information, whether to leave it on their desk or to upload it, or whether it's passing through or whether it's a nest - like all the things that you've just said - that's not written down anywhere?

Ms WEEDING - No, it's absolutely - so, in terms of a policy or procedure, it's not a specific policy. It's certainly part of our process in terms of evaluating information that becomes available in relation to particular harvesting operations to evaluate all the information that we receive. If we get updates of information, we absolutely take that into consideration as part of those activities. So, it's part of the planning considerations that our people undertake.

Dr WOODRUFF - I see. So there is a process. Could we have a copy of the process please so we can understand what the practice is?

Ms WEEDING - We don't have a written down process for that element. It's part of our planning process.

Dr WOODRUFF - How are you training employees if they don't have anything written down? How do you make sure that it happens consistently every time?

PUBLIC

Ms WEEDING - It's part of our planning processes that we undertake on a routine basis.

CHAIR - We have one minute, so I'm moving on to Mr George, thank you.

Mr GEORGE - I will pass, thank you.

Dr WOODRUFF - During the summer of 2023-24, Forestry Tasmania employees set acoustic recorders inside the Logging Coupe, KDO 22C and the Bob Brown Foundation also set acoustic recorders in the same area during the same period and detected swift parrot calls. However, Forestry Tasmania didn't report any observations of swift parrots based on their own forestry recorder in the coupe at the same time.

CHAIR - The time for questioning has finished, I'm afraid. Thank you very much, everybody, for keeping it together for the whole session.

The witnesses withdrew.

The committee suspended from 1.15 p. m. to 2.15 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Water and Sewerage Corporation Pty Ltd

Thursday 27 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Verney
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Michael Ferguson
Prof George Razay
Mr Brian Mitchell
Mr Peter George
Mr Carlo Di Falco

WITNESSES IN ATTENDANCE

TasWater

George Theo
CEO

Kevin Young
Chair

PUBLIC

THE HOUSE OF ASSEMBLY GOVERNMENT BUSINESS SCRUTINY COMMITTEE MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE HOBART ON THURSDAY, 27 NOVEMBER 2025

Tasmanian Water and Sewerage Corporation Pty Ltd

The committee met at 8.45 a.m.

CHAIR (Ms Burnet) - I welcome everybody, good morning. Good morning to TasWater officials and to the committee. This is our last day for committee scrutiny of GBEs. The time scheduled for the scrutiny of the Tasmanian Water and Sewerage Corporation is one-and-a-half hours. As is the practice of the committee, the time taken for any breaks will not be added to the time for scrutiny. I do not intend to take dedicated break. Members and witnesses are welcome though to help themselves to tea and coffee throughout the day and take any other appropriate breaks as necessary.

Members would be familiar with the practise of seeking additional information which must be agreed to, to be taken by the Chair of the board and the questions handed in writing to the Secretary, Fiona.

I invite you, Mr Young, to introduce any other persons at the table, including names and positions, then if you'd like to make an opening statement. Thank you, very much.

Mr YOUNG - Thank you, Chair. We really appreciate the opportunity to be here today and to engage in questions. I'd like to introduce the team: Kate Crawford is the acting General Manager of Customer and Community at the far end; we have Kane Ingham, the CFO of TasWater; George Theo, the CEO; Kevin Young, the Chair of TasWater; we have Tony Wilmot, the General Manager of Project Delivery; and Matt Derbyshire, General Manager of Infrastructure Services here today.

I'd like to make a brief statement. Since the formation of TasWater, there's been some excellent progress. The days of boiled water alerts across Tasmania don't exist anymore; we've invested heavily the 24 Glasses program. In fact, the water that's supplied in Tasmania has been voted a number of times the best in Australia, it's won the national awards. In fact, George, I think one year it went to the world water tasting championships and it won best water in the world, and that was from an area that previously had signs up to said 'Do not drink our water'. We continue to invest in that area, and we have made some great gains, but we are also meeting major challenges.

Water leakage a few years ago was 33 per cent, so we lost 33 per cent of all water that we produced at the plants and that is incredibly high. We have done well to get that down to around 22 per cent, but that's still much higher than what would be expected throughout the rest of Australia. We have double the number of water main breaks and sewer overflows compared to the average in Australia. Only 9 per cent of TasWater's wastewater treatment plants fully meet EPA guidelines.

George, I've heard you say this many times, but we're unique because we've spread out across the state; I think we have something like 30 -

Mr THEO - 38 per cent.

PUBLIC

Mr YOUNG - 38 per cent of Australia's water and wastewater treatment plants in Tasmania - 38 per cent, but 2 per cent of the population. That just shows the number that we have and the expense that's involved in that. We have a significant number of dams, and we still desperately need to invest in dams to meet Australian and international standards for dam safety

There's a fair few challenges ahead and we have a submission at the moment, PSP 5, which I will ask George to make a few brief comments on, but the board and the executive believe the time to invest is now. We have ageing assets in Tasmania. We believe climate change will continue to have its impact as it is across Australia and the rest of the world. We're seeing construction cost increases, which are going up much more than inflation.

Having said that, I think TasWater has a very enviable record of doing major projects on time and on budget, utilising Tasmanian expertise, contractors and suppliers. That's one of our key KPIs and we're very proud of working with team Tasmania to achieve delivery of great projects.

We're seeing cyber attacks increase and we're bolstering our defences. We need to invest more in our digital capability. I was reflecting that we're very lucky that we are living off infrastructure that was built by previous generations, principally after the First and Second World Wars. They built infrastructure for the future because they thought it was so important for future generations. They did that at the time when I'd suggest there wasn't as much money per family as there is today, but they did invest for the future and we're lucky to have those assets now. In short, we can't keep kicking the water investment can down the road and we've put a submission out.

Last thing I'd like to say is I've confirmed with the organisation that what we've put out is a proposal, not a decision. It's a proposal that now goes to scrutiny of the community and engagement, people saying what they think, the regulator will take submissions, and the regulator will make a call. We've put a proposal out and we're happy to be part of that process.

George, do you want to add anything?

Mr THEO - Thank you, Kevin, if I may just take a couple of minutes. I want to provide a really brief update since we were last here 12 months ago. We delivered \$371.7 million in capital across the state; 80 per cent of that value has been delivered by Tasmanian businesses and it's created thousands of jobs.

We continue to reduce, as the chair said, water leakage. We were losing a third of our product. We're now down to 21.5 per cent. We're counting everything. We're on a journey to be at 13 per cent within a few years and then we'll reset targets once we get there. We've rolled out more sensors and we are using artificial intelligence to find leaks that don't come to surface, so we can respond and fix quick.

We delivered 84.2 billion litres of food-grade product, being water, to 474,000 Tasmanians and 1.2 million visitors. You can put water in your mouth out of the tap and not get sick anymore. We met microbiological compliance as per the Australian Drinking Water Guidelines for the seventh consecutive year.

PUBLIC

We now have master plans, which is a first for Tasmania. We have nine of these across the entire state which is a 50-year outlook, which guides investment in water and sewage. Not only to meet and respond to climate change, water scarcity and security, but also accommodating growth and meeting our housing targets across the state.

We delivered a four-year enterprise agreement that commenced midyear, which is around 14.3 per cent. TasWater, staff, unions, delegates and management worked together to deliver an agreement without any industrial action. We're very proud of that. Our engagement has increased to an all-time high of 68 per cent, which is 1 per cent higher than the Australian average for utilities and resources and we plan to get better.

However, as the chair said, we still face many challenges and I hope we can discuss these challenges in the time that we have this morning. TasWater was created to bring its technical capability and its balance sheet to solve problems across the state. We have the highest choke and break rates in the country - the chair has made reference to that. The result of that is too many customer interruptions and sewage spills into the environment. Water main breaks are coming down, pleasingly, on the back of investment that we've made, however, we still have too many interruptions to customers causing inconvenience.

Of our 110 sewage treatment plants, 100 are not fully compliant with the environmental licence conditions, and 23 per cent, or 25 sewage treatment plants, are posing a high risk and causing environmental harm and that needs to stop. We're up for it and we will roll up our sleeves and do the work that needs to be done, but we can't keep ignoring the reality that is before us.

In our price and services proposal to the Economic Regulator, we aim to address these urgent issues. The non-compliances at our sewage treatment plants and poor condition performing assets will not be fixed in PSP5. It will take multiple PSPs over the best part of the next 20 years to address these urgent issues. In our opinion, our proposal before the regulator is in the long-term best interest of customers and we welcome the opportunity to discuss our proposal with the committee this morning.

In closing, I would like to remind everyone that we had just come out of a crisis. The crisis we were in, and the chair made reference to it, was that 24 towns had permanent 'do not consume' or 'boil water' notices in place. In fact, it ended up being 28 towns across Tasmania. The last 'do not consume' notice came off in 2023, so not that long ago.

My concern is that we are sleepwalking into another crisis. This one is sewerage, and unless we act, we will replicate the mistakes of the past that we had with water. While our PSP proposal requests a price increase, it also includes tariff reform and that is really important. We shouldn't lose sight of the fact that the combination of tariff reform and a price increase means that 63,000 customers across the state who use no more than 80,000 litres of water a year will actually get a \$53 reduction in their bill, and 50 per cent of customers who use no more than 153,000 litres of water in a year will receive an increase of no more than 2.6 per cent, which is below inflation.

Everyone at TasWater is working incredibly hard to do the right thing by Tasmanians, the environment and the Tasmanian economy. While no-one likes the price increase, when customers understand the issues we face as a community, they tell us to get on with it. If

PUBLIC

TasWater is to be criticised, I would rather be criticised for being open, honest and transparent than keeping silent and be criticised later when we are in another crisis.

CHAIR - Thank you, Mr Theo, that's wonderful. You're in the right place, then, to have questions asked of you. Mr Winter, would you like to start?

Mr WINTER - Thank you, everyone, for being here today. We do not have a lot of time so I'll try to get through this pretty quickly.

The announcement you made on 24 July in relation to a 40 per cent increase in customer bills on average over the pricing period up until financial year 2030 is pretty concerning for people doing it tough when it comes to cost of living, so I think it's important it's properly scrutinised, as you said in your opening statement. I would like to understand the process TasWater is going through here. Has TasWater's owners approved the pricing submission?

Mr YOUNG - We have had engagement with the councils leading up to our strategy and our price submission. Also, I think George engaged with each individual council and they have come back strongly.

Mr THEO - We have engaged with all our councils through a number of different forums when we come together to present our performance throughout the course of the year. We have also taken the opportunity to inform councils, individually. Many have taken that opportunity and many have already written letters of support for the proposal because they recognise that price suppression going forward is not going to deliver the outcomes people are asking for.

Mr WINTER - If I remember my time in local government correctly, there's a corporate planning process you go through every year. The only corporate planning process, from memory, is at the start of the calendar year leading into the start of financial year. Will you take the pricing proposal here for approval through your corporate planning process?

Mr YOUNG - The corporate plan is out. We have already taken the policy proposal and engaged with all of the councils and the board selection committee and I think we've presented that to LGAT and others, so we have taken that through. The decision of putting a proposal forward is a board decision, but we have engaged with the owners of the business.

Mr WINTER - Will that be included in the corporate plan that gets approved formally through your ownership structure?

Mr YOUNG - It would be included because we always have a prop financial outlook as part of the corporate plan and that will be included, but what we have at the moment is a proposal. What should be included is the final decision, not a proposal by TasWater. It will be going through a process to see what the final decision is and that will be included.

Mr INGHAM - That's right. Maybe I could add that heading into the corporate planning process last year, prior to our proposal we included the key assumptions in our PSP proposal in the corporate plan that was approved by our council shareholders, and we were pretty clear that there were some assumptions in that included in the proposal. There'll be a draft determination next year and we'll make sure that's reflected in the next corporate plan.

PUBLIC

Mr WINTER - In terms of your ownership structure, you now have a percentage ownership by the Tasmanian government of 10 per cent, I believe, and they're required to approve the corporate planning process. When was your state government owner first made aware of the proposal, and have they agreed to the proposal as it currently stands?

Mr THEO - The government, being one of 30 shareholders, was informed at the same time as the other shareholders through our annual process of putting forward the corporate plan. Our corporate plan for the next five years is one year of surety in terms of pricing, which is the last year of PSP 4, and then the next four years is based on the proposal we've put before the Economic Regulator. So the corporate plan through the annual process we go through was endorsed by the collective 30 shareholders.

Mr WINTER - When was that done, though? What date?

Ms CRAWFORD - We hold our general meeting in June for the approval of the corporate plan. I'm getting the exact date for you when it was this year, but every June.

Mr THEO - It was in the month of June.

Mr WINTER - The pricing increases here are very substantial. We're talking about a 40 per cent increase for an average family of two adults and two children. We're looking at significant increases of almost \$800 over the four-year period. What's TasWater's response to people? People are doing it really tough. There is a cost-of-living crisis out here and a lot of families are going to struggle to pay that. Has TasWater, in its engagement, sought to understand the economic conditions impacting Tasmanian families and their ability to pay?

Mr THEO - Yes, we have. We've engaged in customer engagements for the best part of two years, the most intense customer engagement process TasWater has ever gone through. We had over 200,000 touch-points with customers and 3500 participated in surveys, culminating in about 45 customers over a period of seven or eight full days being immersed in the proposals being put forward. The last day was on pricing.

What was really interesting when we went through that process, the customer forum or citizens' jury, which represented customers from across the state and all demographics, actually said we should be pricing higher, but we didn't think that would be the right thing to do. They were suggesting to us that we should be pricing at a higher level to do more work and fix the things that need to be fixed in a quicker timeframe, but we did not take that view. What we put forward was a price path that looks like what you have in front of you, which we believe is responsible.

With respect to customers who find themselves in a vulnerable state and can't pay their bill, there are a couple of things to understand. The first thing is we never turn customers off, so if you can't pay your bill and you want to but you're struggling, we will never turn you off. We don't do that. We don't restrict and we will support those customers. In our PSP 5 submission we've upped the amount of money we've put in our proposal to support those individuals who are finding it difficult. We're increasing our total support by \$2.4 million to \$4 million over four years to support customers who might find themselves in a vulnerable state.

Mr YOUNG - Another important component is changing your control of the bill.

PUBLIC

Mr THEO - Yes.

Mr YOUNG - Part of this is that we've said there's more on the variable, and what we know from the rest of Australia is that when the variable price goes up and people are struggling with their bills, they say let's make smarter decisions about how we use water, and if you use less water your bills go down. It's been a driver and gives more control within people's own capability.

Mr WINTER - In that engagement you said that people were telling you they wanted to pay more for their water and sewage bill -

Mr YOUNG - Yes.

Mr WINTER - in order to - did you consider -.

Mr YOUNG - Sorry, I think they were saying they wanted to fix the problems. They thought they weren't going to go away. What I heard from my involvement in those deliberative juries with the customers was they said, 'Let's get on with it. This is not going to go away. It's going to become more expensive in the future. It's not an easy thing to do, but let's get on and fix these problems'. That's what I heard.

Mr WINTER - And you also heard -

CHAIR - Last question, Mr Winter.

Mr WINTER - Okay, thank you, Chair. I think you said that as part of that engagement people wanted to pay more volumetric, they wanted to see that change. I certainly remember at the start of these reforms it was very controversial about having to pay for the amount you used. You're saying that in your engagement Tasmanians were -

Mr YOUNG - They want control. What they said was increase the variable price. Give us control on our bill because if it's just all fixed then you do not solve the major issues. You don't see water as precious, as things get worse in the future - drought, climate change - what they said was, 'Give us control on our bill. The changes that we've made on variable to fixed pricing, there's nothing in it for us. There's no revenue, it's zero-sum'.

Mr THEO - Tariff reform is a revenue neutral outcome for TasWater before they apply the increase. At the moment, everyone's bill in this room is 84 per cent fixed. You can't influence the size of the bill based on the volume of water that you choose to use. We're moving that from 84 per cent being fixed to 67 per cent being fixed. A third of the bill is variable, which allows you to influence the size of your bill based on how much water you use.

We need to also remember, while we talk about the impact, and it comes down to current usage patterns, every consumer in the state will get a \$176 reduction to their fixed access charges on day one. Then, if they use the same volume of water they used in the previous year, the results are in the table that we've shown you. If they choose to use less water, they will pay less.

Mr YOUNG - We hope they do.

PUBLIC

CHAIR - I'm asking the next question. I understand that that is also influenced by environmental factors. You're actually using less water; I suppose that may be an outcome from that.

I want to go to the issue of the Mondelez Cameron Bay spillage and problem last year. The Cameron Bay Treatment Works was overcome by a spillage and lack of processing at the Mondelez/Cadbury factory. I am curious to know how much you knew beforehand, in relation to their likely problems.

Ms CRAWFORD - The situation at Cadbury was that there was a deterioration in the performance of the plant from around 12 December. Obviously, with those kinds of things we had to go through a period of investigating and trying to understand why that may be. It came to the conclusion that the high strength discharge that we were receiving from Mondelez had, in fact, caused issues with our treatment plant to the point of a critical failure. At that point, we made the decision on 20 December to cease accepting the discharge from Mondelez. Over that Christmas period into January we worked very closely with them to work on their pre-treatment processes and make sure that the quality of the materials we were receiving, we could treat and that our treatment plant also had time to recover during that period.

CHAIR - This was a significant breach. My question is, how much did you know beforehand that this was a likely problem? What is going to happen so that this kind of thing doesn't happen again?

Mr THEO - This played out pretty quickly pre-Christmas, and we were aware in the day or two prior to the actual treatment plant being compromised that we were receiving noncompliant industrial trade waste. We've dealt with those issues.

I'm really pleased to say though that Mondelez has invested heavily in their pre-treatment process. They've been fully compliant over the best part of, I think, six months. We continue to work with them on a fortnightly basis. We have very good constructive conversations with the company. They have stepped up, they've done the right thing, they've invested in their pre-treatment, and they're compliant.

CHAIR - You didn't know beforehand that there was likely to be a problem?

Mr THEO - As I mentioned, we were aware that we were receiving noncompliant trade waste and we were working with the company, and it did end up compromising our treatment plant.

Prof RAZAY - First, congratulations to TasWater for a major infrastructure upgrade of our water system that manifested us having the highest quality of water, not in Australia, but in the world, I expect. Thank you for that. As chair, you said that only 9 per cent of our Tasmanian sewerage system is compliant with our EPA standards and it needs a massive investment in that upgrade. It's estimated, if we are doing an upgrade of our sewerage system between, let's say, 2026-30, we estimate an increase of roughly 35 per cent to our water bills, which is equivalent to an extra \$522 per household by 2030. That means we need massive funding support. How is our government going to support this urgently needed upgrade of our sewerage system?

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Mr YOUNG - That's a good question, but I think that we have been successful in the past of getting funding.

Mr THEO - Yes, I think we've been very successful working with government, seeking federal government grants for a number of projects across the state. Matt could talk to that in a moment. Just recently - which was in the media - co-funding from different levels of government, including TasWater, led to a significant infrastructure project being delivered, which opened up development opportunities in the Brighton region.

In terms of further support, the revenue we're seeking to generate is not the revenue that is required to fix the problems we have. The revenue we're seeking to generate will allow us to service the loans that we have to take out through TASCORP in order to invest in water and sewerage infrastructure. I want to make that really clear. The support that we need is support for our proposal because, in the absence of that proposal being supported, we can't generate the revenue we need to invest in water and sewerage infrastructure, which means things that are broken today will continue to be broken. They're not going to get fixed until sometime down the track when it's going to be even more expensive to fix. One of the things we're seeing right now is that the cost of construction is outpacing inflation, so we need to be really mindful of that. Matt, did you want to add to some of the grants?

Mr DERBYSHIRE - Yes, I had a couple. The National Water Grid has provided funding for various projects around Tasmania. We've received \$5 million for the Penna recycled water scheme. There are water improvements in Bothwell. We've had half of the business case for the north-west water strategy that would see a rationalisation of treatment plants around Devonport and that project could be \$300 million to \$400 million. It's a good sign when the feds are funding the business case. More recently, for the Tamar Estuary Recovery Health Action Plan, we received - Tony?

Mr WILLMOTT - \$42.5 million from the state, \$42.5 million from the feds, \$11 million from the Launceston City Council.

Mr DERBYSHIRE - Those opportunities exist and we're really hungry to go after them.

Mr THEO - Did you want to mention that we're also looking to put the Launceston project onto the Infrastructure Australia funding opportunity list?

Mr DERBYSHIRE - Yes. The Launceston sewer transformation - which is seven treatment plants to one over the next less than 10 years now - is on the Infrastructure Tasmania shortlist, it's on the Infrastructure Australia shortlist now, so again, that gives us a really good opportunity to make the case for federal funding to support that project.

Mr GEORGE - There are something like 12 to 14 flow-through salmon hatcheries on Tasmanian rivers, as I understand it. Each one of those contributes to the nutrient load on our rivers downstream. How much is the salmon industry paying for the use of our water for each hatchery on our Tasmanian rivers? When will you move to restrict or get rid of entirely flow-through hatcheries on our rivers?

Mr DERBYSHIRE - That's probably a question for the EPA. We don't charge businesses for use of water. We only have one intake that's downstream of a salmon hatchery

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in Tasmania and that's at Bryn Estyn where we've just invested more than \$200 million upgrading it, but that was not just driven by the salmon industry alone.

Mr GEORGE - Substantially, though?

Mr DERBYSHIRE - No. We do a catchment risk assessment which determines how many treatment barriers are needed to make the water safe and compliant with the Australian drinking water quality guidelines. That upgrade was due and that's what we've delivered, but it's definitely not linked to the salmon hatcheries.

Mr FERGUSON - Good morning to the TasWater representatives and thank you for your work. Congratulations on your appointment, Mr Young. I'd also like to acknowledge the work of Dr Gumley, your predecessor, who was excellent to work with.

I seek an update from you, Mr Young, or your team, in relation to the Launceston sewer transformation project. You've already referred to a number of the facilities that are currently exceeding environmental standards. I have a particular interest in Legana and seek an update from you about that. You've just discussed how the overall project aims by 2035 to amalgamate and unify the treatment of wastewater in Launceston and you're seeking federal support for that. I suppose my question more zeroes in on how are Legana or other treatment facilities in that catchment currently being managed while you work towards the long-term solutions?

Mr THEO - Matt's very close to Legana and Legana is one of 110 for us. Matt, would you like to respond to that question?

Mr DERBYSHIRE - Sure. Legana is part of the Launceston sewer transformation and we very much agree that it needs an upgrade. It is over capacity. More recently, though, for the medium term we've installed aerators which introduce oxygen into the treatment process and we've desludged that sewage treatment plant. As late as September, we are actually starting to see an improvement in compliance. The non-compliance that we talk about is not 100 per cent of the time, so when we say 91 per cent of our treatment plants comply, there are times like wet weather when inflows increase and the treatment plant will go out of compliance for that time with the licence parameters set by the EPA.

Mr FERGUSON - Is that a fully rounded answer? If I may, it was just clarity on what management techniques are being used apart from aerating to address that until and before the long-term solution is achieved. Are there any other tactics?

Mr DERBYSHIRE - No. We've looked at inflow infiltration in that catchment as it doesn't rank as high as some others. We apply the Water Services of Australia guidelines on managing inflow and infiltration. They have three parameters they look at and all three of those parameters are below, which would dictate intervening, so it's a long-term solution.

Mr WINTER - I'm going to your corporate plan around pricing. Section 9, appendices and financial assumptions - it outlines total revenue increases from what's budgeted this year at \$475.7 million and going up to \$658.4 million. Is this incorporating the proposed price increases you put forward to the Economic Regulator?

Mr THEO - Correct.

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Mr WINTER - Just to reaffirm my question earlier, this was approved by your owners in June. Was that right?

Ms CRAWFORD - Yes, I have the date for you - 23 June was the general meeting.

Mr WINTER - As part of that approval process, it goes through the 29 councils and your other owner, which is the Tasmanian government. So 23 June is when the state government was made aware. As part of that you've then announced the proposed changes a month later, despite the fact that the information was in the document. Can you explain to us the reason for choosing that date? I think the announcement was on 24 July.

Mr THEO - We launched our proposal with the Economic Regulator. We have an obligation to do that by 30 June and we did that. The Economic Regulator, as I understand, made available that document, I think 3 or 4 weeks later, after it was lodged with them. I think one of the reasons they uploaded it on their website sometime in late July was because they wanted to go through the document and understand it and then they uploaded it.

Mr YOUNG - I think there were major changes compared to previous documents because we were not only covering the need for significant investment, but also there was the change in the variable fix they wanted to review and understand.

Mr INGHAM - In terms of the corporate plan, we made the assumption that they should align together. We had the proposal at that time and we felt that was going to be the most meaningful set of financial projections to include in the corporate plan at the time in the absence of anything else.

Mr YOUNG - But they were projections because we're subject to a complete review process that goes into the community and be under scrutiny and discussion, so a decision won't be made until July next year.

Mr WINTER - You've talked about this being about being able to generate the revenue to pay for some of that increased debt that you're seeking to take on over the course of the next four or five years. Yesterday, there was a credit downgrade issued. Can you explain to the committee where you're at in terms of your engagement with TASCORP and your understanding of the level of interest you're going to be paying annually as part of that?

Mr YOUNG - I will give an overview and then Kane might go from there. From a board viewpoint we look at long-term projections and we want to stay a strong investment-grade company. When we look at the debt, even with the increase of the future, we are lightly indebted compared to most utilities around Australia. We're in a very good position with our debt. We're remaining, even with our projections, to be a strong investment-grade company. Kane has had discussions with TASCORP about this.

Mr INGHAM - Thanks, Kevin. We're in constant dialogue with TASCORP, especially through our planning processes, and we provide them our projections on debt. The key thing they want to understand around our debt is our ability to service that debt. Our pricing proposal was a big input into that, because it determines our ongoing cash flows and signals our ability to service it. Included in this, we've done projections. The projections in that corporate plan reflect the investment we've included in the PSP and the prices in the proposal to support that

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investment. TASCORP provides to us the projected cost of debt amounts, and again we've reflected that in our forecasts.

Mr WINTER - Part of the media pack said our sewerage network is in terrible shape and I think that's consistent with what we've heard today. We've heard that you're having to take on debt and your debt will just about double from 2025 at \$1.08 billion to more than \$2.1 billion. Has there been any discussion with your owners, the 29 councils, around dividends? You've called it - the network's in terrible shape and you're increasing charges for Tasmanian mums and dads by \$800 for an average family over four years. Have you had a conversation with your owners about their flexibility in terms of demanding dividends, given the state of the network and the price impact that's about to happen for Tasmanian families?

Mr YOUNG - I think we pay dividends and we do it. It's a year-by-year discussion on that. I think our dividends are reasonable given the situation that we're in. We will always, as a board, look to our future when the price path comes out and determining what is the level of debt and our loan repayments. That will be all taken into account. It's a year-by-year discussion. But I do find, right around Australia, there is a payment of dividends to owner - it's a zero-sum game. The councils' customers are our customers, and the councils invest those dividends back into the community. If they don't get dividends, they can increase their rates to cover what they need to invest, but it is a zero sum game. What we want to make sure, as a board, is that the dividends we pay are prudent and reasonable, and that discussion will occur year by year into the future.

Mr WINTER - Just around that, the special dividends that have been included, so the ordinary dividends paid, according to the forecast - \$20 million across, I assume, the 29 councils - then moving up to \$30 million. Is that correct?

Mr THEO - Yes, so -

Mr YOUNG - It's a forecast.

Mr THEO - It's based on the proposal that's before the regulator. The special dividend you're referring to is the dividend that was not provided during the COVID years.

Mr WINTER - I'm sorry, but COVID knocked everyone around. Why do the councils feel they need to be made whole, given everyone was impacted by it.

Mr THEO - The reality is that no dividend payments were paid for those - I think - two years. What we have done is - and I think we're currently in the final year of those special dividend payments, which was a recognition of dividends that weren't paid in those prior years -

Mr WINTER - That's pretty extraordinary. I was there at the time -

Mr DERBYSHIRE - Dean, I think it was just such an extreme time. We didn't know how long it would go for and we didn't know the impact on the business. We made a call on risk and held the dividends back. Then we found that once COVID had passed, we didn't need to -

Mr WINTER - I'm sure the state, during COVID, didn't accept a lot of dividends and they didn't go asking the GBEs like Hydro and TasNetworks for more money after the fact. Do

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you just need to stand up to these councils and tell them that given the state of your network, given the state of what you're asking Tasmanian families to do, that potentially providing them with a special dividend - then, further to that, you're increasing the size of the dividend by 50 per cent from the 2026-27 forecast year. Is this really prudent, given the state of the network and what you're asking from Tasmanian families?

Mr INGHAM - I think the dividend is pretty modest comparative to the earnings. If you benchmark that compared to our peers across the country, or even other government businesses, I think you'd find the dividends, as a percentage, are pretty low.

Mr YOUNG - It's a year-by-year discussion. I know we've got forecasts in, but it will depend on what comes out of the price path, what our debt is, what we need to borrow, and the decision will be made at that time.

CHAIR - I'd like to follow on from Mr George's question about the salmon hatcheries. It was said that it was a matter for the EPA. I'm very pleased to see that you've got your regional plans for the whole of Tasmania, and the Derwent catchment is a really important component of that. I'm wondering if you are advocating for a catchment authority and moving towards that? I know we've had this discussion before, Mr Theo.

Mr THEO - TasWater is a strong supporter of improving outcomes from catchments. Whether that requires a catchment management authority or whether the institutional instrument already exists and it just needs to be refocused. I'm not an expert in that area. What I can say is that TasWater is supportive of those things that we can do, as a collective, to improve health of catchments, including rural water quality.

CHAIR - I note in your annual report, I think there's only one reference in the whole report about algal blooms. I'm concerned about what steps TasWater have in place to assess the risks of, and proactively monitor for, blue-green algal blooms, and which waterways and supplies have been affected or are at greatest risk.

Mr DERBYSHIRE - Yes, I can take that. We do monitor for blue-green algae at all our rural water intakes. Probably where we've felt it the most would be, like, Trevallyn. I think it was 12 or 24 months ago, there was a significant blue-green algae breakout further upstream, and Tamar Estuary and TasWater, Hydro and all other stakeholders in that area worked together to monitor that situation. It didn't eventuate into anything that significantly impacted our water quality, but I think we did dose carbon at that moment, which takes out the earthy taste from the water and also removes any toxins that could have been present.

CHAIR - Given the significant impacts from agriculture, aquaculture, all sorts of processes and uses, are you not doing that for the Derwent as well?

Mr DERBYSHIRE - We do it for the Derwent. We do it for all of our raw water intakes. But in that instance, it was something that was more significant than normal operations. That's why the catchment stakeholders came together to look after that situation.

Mr GEORGE - I'd like to go back to the salmon issue, please, particularly in the Derwent catchment area. I'm still trying to figure out why it is that the salmon hatcheries, a big, very profitable industry, are apparently paying nothing for the use of an important natural resource from Tasmania, i.e. the fresh water of the rivers. Why is TasWater not raising money from

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flow-through hatcheries when, obviously, the impact is nutrient load downstream into the catchment area?

Mr YOUNG - We don't have responsibility for - we don't have any assets that they use to get that water. It's the river, it's not a TasWater asset. We don't have any capability to charge for that

Mr DERBYSHIRE - Or jurisdiction or regulatory powers.

Mr GEORGE - You don't? None at all?

Mr DERBYSHIRE - We don't own the catchment; it's not a protected catchment. What I would say, though, is that TasWater participates in the Rural Water Roundtable and that involves Tas Irrigation, Tas Hydro, TasFarmers and Graziers Association and others. We work together to make sure that we're sharing data and that we're monitoring those types of situations so that we can keep in front of them. Our treatment processes are equipped to deal with removing what needs to be removed from our water.

Mr Di FALCO - Looks like you've already answered the question I was going to ask. Alternatively, Hydro's got massive water reserves, are you talking to them to avoid water restrictions?

Mr DERBYSHIRE - Absolutely. We've got a number of places where we work with TasWater and actually either have plans in place to purchase water - the North West Water Strategy is a good example, where we are locking away 50 years' worth of growth in that catchment, where we will take water from Lake Paloona that would pass down to Forth, where we will draw it out. We also have arrangements in place in Lake Trevallyn, where we use water. Town drinking water is just a rounding for Hydro; it's a very small number.

In places like Meadowbank, Tas Hydro release water as part of environmental flows, and further downstream at Bryn Estyn we take raw water out of the Derwent, from the water that Hydro pass from Meadowbank.

Mr Di FALCO - Thank you.

Mr FERGUSON - Last year's annual report recorded that for 2 per cent of the national population, TasWater, as a water and wastewater authority, operates 38 per cent of the country's treatment plans. That genuinely surprised me.

Mr DERBYSHIRE - True - 38 per cent of major large water utilities in Australia.

Mr FERGUSON - I wonder if you could then help the committee and me to understand that better. What is TasWater's competitive disadvantage, if I can use that term, as an entity and as a water authority and wastewater authority, in the national context? Is TasWater, by virtue of the legacy assets that it's inherited from 29 councils, struggling because of that legacy and, therefore, the need for that consolidation of assets into the future? I wonder if you could take us through that because I'd like to understand it better. Finally, how does that impact upon financial strategies that the entity must pursue?

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Mr THEO - You're spot on. We're the most decentralised, if you like, community in Australia. We have many, many towns. The challenges we have before us at the moment is the issue of many councils being water and sewage authorities in their own right, building their own infrastructure for the best part of 100 years.

If you look at Hobart, greater Hobart has 19 sewage treatment plants that serve a population of a couple hundred thousand people. In Launceston, we have seven sewage treatment plants that serve a population of, I think, about 70,000 people. It's crazy. You just don't need that many assets to serve that many people.

Part of our financial forecasting and engineering master planning is to not keep investing in maintaining the same number of assets. When it comes time to invest in an asset, actually invest in a different solution - that different solution, let's say Legana, we will be turning that off, putting in a pump station and sending the flow down to Ti Tree Bend, which will be gaining a significant upgrade in the next few years to allow us beyond the next few years to decommission the other six sewage treatment plants around Launceston. It also creates scale for us, and it will create an opportunity where 9 billion litres of potentially nutrient-rich water will come out of Ti Tree Bend that we could make available for agricultural or industrial purposes.

Mr DERBYSHIRE - Just to add to the master plans that we've completed for the next 50 years show that we could potentially reduce that number down to about 130 treatment plants, so we can rationalise 50. That's obviously expensive and why the price and services plan is so important. There is one advantage to having small treatment plants and that is that you can quickly trial pilots for innovation - things like floating wetlands in smaller treatment plants - before you roll it out across the rest of your fleet.

Mr YOUNG - But it is the economy of scale. Previously, the CEO of Sydney Water, the biggest treatment plants there would serve more than 1.2 million people at one plant and drive huge scale and huge efficiency.

Mr FERGUSON - We should pump it there.

Mr YOUNG - Yes. In Launceston, you have seven plants for 70,000. It's just so expensive to have so many plants.

Mr WINTER - I got a bit distracted earlier about debt and interest being paid. According to the corporate plan, by year 2029-30, interest paid will be \$93.5 million a year. Have you started those conversations with TASCORP? How much, if any, sensitivity analysis has been done around the level of interest that will be paid in the back end of your forecasting?

Mr INGHAM - The answer to the first question is, yes, we've provided these projections to TASCORP. As I said, they're heavily dependent on the outcome of PSP5. Our investment in PSP5 is a big input into this, the capital program, the pricing and the cashflows that come from that. We have factored in the projected interest rates that TASCORP have provided, and we haven't done a heap of analysis around what the interest rates could be and what that does to our future earnings at this stage. It's something that we're having ongoing discussions with them and expecting to gauge heavily with them in the new year once the draft determination is released.

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Mr WINTER - Again, in terms of the financials going forward, receipts from customers will rise to \$657 million by 2029-30, which is a 46 per cent increase in revenue coming from customers over those few years, which is pretty substantial.

Unknown - If approved.

Mr WINTER - If approved, but that's what's forecast? Has TasWater considered any other options other than this? Do you have different options in front of you that you can go to, particularly, if this isn't approved?

Mr THEO - The only other option is to keep pushing out investment.

In PSP5 we're looking at investing \$1.7 billion. We're only looking to recover revenue to fund \$1.6 billion of that investment. TasWater has put itself on the hook to find \$100 million worth of capital efficiencies over the PSP5 period. The answer to your question is, we won't be able to do \$1.7 billion worth of work. We will have to defer work.

The consequences of deferring work will mean that growth will not be accommodated as much as we would like to meet housing targets and also councils' projections around their own growth within their own areas because we have to prioritise based on the resource that we have and money will go into compliance, making sure our treatment plans are not polluting the environment, so that will take precedence over other programs. The answer is we will have to defer work.

Mr WINTER - It feels like you're going from zero to 100. You've had a capped price increase situation since the MOU was signed in 2018, I believe. Mr Ferguson will correct me if I am wrong. We've had 3.5 per cent capped increases for a very long period of time, now going to 8.8 per cent increases. The question is, surely there's another scenario that's been modelled here that isn't quite so extreme on Tasmanian families, your customers?

Mr INGHAM - There's probably another point that I want to add with the price. There's a lot going against us at this particular time as we forecast. A large part of that increase is driven by some external factors like increasing cost of debt, inflation, other things that have happened over the last three or four years comparative to the last price increase that's having an impact and that might make it feel like this is largely driven by a capital program, but there are other things pushing that up. That's one point.

The other point is, we did a range of different scenarios around our capital program and what that meant for prices, and this is one where we felt this level of investment was needed and we had to trade that off between that and the proposed price increase.

Mr WINTER - Is TasWater able to provide that scenario analysis to the committee, through you, chair?

Mr YOUNG - We looked at what we were putting forward as our proposal. We are going through a review at the moment with the regulator who will scrutinise every one of our capital projects and operating, and say, 'You need to be more efficient, and you need to look at these projects and decide -'

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Mr WINTER - I understand how that works, but the question is that presumably in the preparation of this you will have looked at a number of scenarios, and it sounds like you have. I'm asking whether you can provide that to the committee so we can see what TasWater considered or didn't?

Mr YOUNG - What we've done is say, look what happens if we don't get the capital, but we don't know the decision that's going to be made. We don't know what total amount of capital we're going to get. We don't know what the targets are. That will come out as part of the review process and when that occurs, we will do scenarios to say, if we're limited to this amount of capital, where should we best spend it, but we don't know that answer at the moment.

CHAIR - Mr Young, we'll move on.

Mr WINTER - The question is whether we can get a copy of that data that we haven't heard exists.

CHAIR - Yes, I believe the question was -

Mr WINTER - Can we have a copy of that tabled?

Mr INGHAM - For me, the regulator has a role of going through and doing an investigation. I believe it's for the regulator to make that assessment and to do their work in that balance between investment and trade-off. I'm not sure if it's something we might need to consider.

Mr YOUNG - We're not second guessing what's going to come out of the process and when it does, we will do all the scenarios at that time.

CHAIR - I'd like to ask some questions. With the impact of the Greater South East Irrigation Scheme, which is the largest proposed in Tasmania and proposes to take 41,000 megalitres of water from the River Derwent - and that will occur primarily during summer months when the system is at its most vulnerable. Current summer takes transferred as potable water via TasWater are limited to 3000 megalitres, so it's a massive jump. I'm curious to know what modelling you're doing or looking at with this potentially big take of water out of the system, given that we know its vulnerability in the upper Derwent catchment?

Mr DERBYSHIRE - I think the water you're talking about comes from the Derwent, so it's not necessarily a question for TasWater.

CHAIR - Yes, but will that impact on TasWater's take?

Mr DERBYSHIRE - No. We have surety 1 and surety 5 licences for the Derwent. That water comes from regulated sources from Hydro, so it's stored in dams and released.

CHAIR - I'm sorry, but you're putting out a regional plan, and part of the plan, I would have thought, with TasWater and other users is that there's good monitoring, knowing what sorts of flows there might be and how that might impact on your business.

Mr THEO - We do all that and don't see any impact on our business -

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CHAIR - You don't see any impact?

Mr THEO - No, because we take a fraction of the water out of the Derwent to treat that water through our treatment plant at Bryn Estyn and create drinking water. The source of water that's available to us, we don't see that impacting our ability to be able to produce drinking water. If you recall in the past, prior to the Bryn Estyn treatment plan being upgraded, the old plant had difficulties with respect to treating different raw water qualities. The current treatment plan does not have those constraints. If we're talking about the volume of raw water that is available to TasWater to treat, we don't have any concerns.

CHAIR - Would there not be impacts? The water will be treated at Bryn Estyn and then it will be used by customers, but would that water also be used by the irrigation scheme?

Mr THEO - Yes, correct.

CHAIR - So what is the cost being subsidised by TasWater customers, in effect?

Mr THEO - I don't have the exact numbers in front of me, but what I do know is that Tasmanian Irrigation and TasWater have agreed that they will work to come off potable water over the next 10 to 15 years. We have an agreement in place that will be ratified shortly and they will be moving to potable water pricing over that period as well.

Mr DERBYSHIRE - Tasmanian Irrigation will not take potable water once the southern irrigation scheme is created, they will take raw water from the Derwent, so they will be off TasWater's supply.

CHAIR - Okay. It would be good if you could table those predictive things that you're doing, but also if there's any modelling that makes you fully sure there is no problem with the water supply.

Mr DERBYSHIRE - Our water extraction is regulated by NRE and we have surety 1 and surety 5 licences that won't be impacted by irrigators. If you think about how Hydro uses 99 per cent of the water, and TI use 0.9 per cent, we use 0.1, so town drinking water is a very small fraction of that number.

CHAIR - It gets expensive, though, doesn't it? We'll move on.

Prof RAZAY - Water is the most precious commodity in the world. Billions of dollars spent on infrastructure upgrades come with the need for skilled labour. Currently Tasmania faces challenges in sourcing enough qualified water engineers, project managers and treatment plant operators locally. What are we doing in our master plan for the next two decades in trying to train our local Tasmanians for it? Do we have initiatives like scholarships, TAFE courses or cadetship that can prepare us to look after our infrastructure? How will we make sure that a \$1 billion spend on water infrastructure will also leave behind a stronger Tasmanian workforce equipped to operate and maintain those assets in the future?

Mr YOUNG - Great question. We had a board and executive strategy day yesterday. One of the scenarios we were discussing is how TasWater can bulletproof itself from making sure it has the capability, skills and numbers of people employed both directly and indirectly through our programs to make sure we can continue to invest in water and sewerage

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infrastructure, because every [inaudible] is chasing the same resources. We have to grow the number of people in the sector and not compete across different sectors for the same people. It's a great question.

In our own right, based on government formulas, we know that our \$1.7 billion worth of investment over the next four years will create or support 15,000 jobs. TasWater also has a graduate program of 20 people we continue to maintain on an annual basis through our delivery partners - and Tony might want to chat to that in a second - that are delivering wastewater treatment plant upgrades and pipelines in streets. They employ professionals but also tradespeople, so indirectly we are supporting them.

We also sit on the - I will probably get the name wrong - Skills Tasmania board looking at the skills required in the water sector and how we can work closer with TAFE and universities to make sure there is a pipeline of people who can come into the sector.

Tony, do you want to talk to the work we're doing with our partners around that?

Mr WILLMOTT - Yes, sure. About eight years ago we realised that we were lacking the ability to be able to deliver this increasing program, so we went into a capital delivery alliance, which really featured the upskilling of our people and certainly the market. We've done significant work over that period until now. In the new frameworks we're delivering, our capital delivery [inaudible] will come to an end at the end of next year when we finish some of our major projects. We're also working with the local market to make sure that our frameworks for deliverability of our program are suited to their businesses. They've benefited significantly from our investment in them and that has been a direct investment in their businesses.

We've also stabilised the workflow and workload for their businesses as well. That's allowing them to hire more trainees and tradespeople to make sure they have that stable, consistent workforce. That stable load that we're providing them is also giving them confidence to buy machinery and invest in systems and process as well. We've really tried to holistically look at this, from internally right through to the end of the market.

Prof RAZAY - I'd like to comment that it's not just Tasmania's problem, it's an Australia-wide issue. I know on the mainland they try to promote a career in the water industry. I think we have to plan for the future.

Mr DERBYSHIRE - I would add that we have a graduate program with around 20 graduates in our business at any one time.

Mr Di FALCO - In the paper right now there are reports of a big sewage spill at Penguin that's impacting beaches. What are you doing to stop this happening in rivers and oceans to lessen the impact on recreational and commercial fishing or the public enjoying the beach? What is the risk to the status quo without large upgrades?

Mr THEO - We had two pumps fail simultaneously, which is quite unusual. We're hopeful that one of those pumps is back up and running this morning but we're waiting on some information to confirm that. We also have a replacement pump arriving tomorrow for that second pump. In the short term, we have been responding to the incident. We're also using inductor trucks and we've been running them for the best part of 18 hours a day to stop the sewage spill as much as we can.

PUBLIC

In terms of going forward, again, it's symptomatic of the fact that we have assets that are close to the end of their life and we need to invest. So, while we've been talking about sewage treatment plants, there is significant money in our capital works program under PSP5, and we do that at the moment as well, investment in sewage pumping stations. Again, they need to be upgraded, they need to be modernised.

Mr DERBYSHIRE - I was going to add, too, one of the grant fundings that we did receive was \$5 million from the national water grid to invest in sensitive receiving environments. That's been a major program of works around the state where we have upgraded pump stations, rising mains, emergency storages. And the analysis that we have shown for similar wet weather days where we would've spilt into sensitive receiving environments, we are now riding through those without having any spills. The other thing our analysis shows is that those sensitive receiving environments receive three times better level of service from TasWater.

Mr FERGUSON - I would like to take you to the Tamar Estuary River Health Action Plan. I absolutely want to congratulate the team for the progressive delivery of a major piece of infrastructure that's deeply impressive. Of course, as you would appreciate, most of it happens behind the hoarding, and the community has a great interest in that project. Would you update the committee on the progress of that? Not just the specific pipeline, for example, but the overall transformation. Would you care to give a comment on whether there's any new materials or animations that can help the community to appreciate not just the engineering elements, but the river health outcomes that are expected? How is the project going?

Mr WILLMOTT - Thank you for the question. Right now we are at 90 per cent complete on the suite of projects. We've completed the major power upgrades at the Margaret Street pump station; the mechanical upgrades are complete; the pipeline, as you mentioned, is complete as well and ready to receive the stormwater and sewerage. The tank at the other end, so the balancing tank, which is 10 megalitres - you've seen that site yourself, it's a very large structure - that's at 76 per cent complete. By around April next year, we are expecting to be into commissioning. So yes, that project has gone very well.

Mr FERGUSON - The second part of the question was around whether TasWater could have a look at public information materials that makes it easy for people to appreciate how the movement of materials will be different and how that will lead to better river health.

Mr WILLMOTT - I think this project has actually set the bar for all the other projects that come after it, certainly with communication. The comms team has done a fantastic job, and I know Hagen Rieck has led the engagement there with the local community, right down to sitting in people's kitchens explaining what we are doing. We've got extensive YouTube channel videos that explain all the parts of the project and the progress that we've had throughout that time. So, I think that's been an exemplar, certainly from communications, and we will continue to communicate that right through to completion. Then obviously we will shift our thinking around those benefits that it will actually provide.

Mr WINTER - Going back to the approval of the corporate plan on 23 June, either that day or - did TasWater ever engage with the minister at the time, who I think was either Mr Jaensch or Mr Barnett, in relation to the corporate plan or the proposed pricing proposal?

PUBLIC

Mr THEO - I don't recall. I think we were still in the midst of finalising our pricing proposal for submission to the regulator. Once we'd landed on a position and lodged our submission, then we were in a position to talk with some specificity around what was in our proposal.

Mr WINTER - The state government signed off on 23 June as part of the corporate planning process. I presume that was someone in Treasury. When was the state government, the relevant minister, informed of the corporate plan or the pricing proposal?

Mr DERBYSHIRE - The minister was told about it the day before the announcement.

Mr WINTER - So, that's 23 July?

Ms CRAWFORD - If I can just clarify: the Crown provides an owners' representative, which is one of the voters at a general meeting, to adopt the corporate plan. An affirmative vote is required of the state. That's in our governance documents, and that was the case on 23 June.

The day prior to the proposal being published by the Economic Regulator, which is 23 July, we did inform the Treasurer.

Mr WINTER - Thank you. In terms of other issues that came out of the state election, one was the trade waste proposal or policy that was announced by the government, which was particularly focused on Simplot. Can you take us through the engagement you've had with government around trade waste policy? What's TasWater actually going to do in terms of changing policy on trade waste?

Mr THEO - The first thing, before Kate says a few words, is that we actually welcome the review on trade waste, so we will be an active participant in that process. All I know is what I read in the newspapers in terms of the aims that government is looking to do as part of the trade waste review process, and we are supportive of the objectives that review seeks to achieve.

Ms CRAWFORD - We do operate in accordance with the compliance requirements set out in the *Water and Sewerage Industry Act* and regulations and, of course, also by the EPA. We are certainly willing to work with government on any proposal to look at that regulatory arrangement. Currently we are having, and continue to have, conversations with our major industrial and commercial customers around compliance and, of course, with the outcome of trying to protect our precious waterways and make sure that both they are compliant and we are compliant. We are pleased to say, in the case of our major industrial customers, that they are cooperating. We've been successful in negotiating contracts with them which reflect their commitment to continue to invest in pre-treatment and to work towards compliant discharges.

Mr WINTER - Is it correct that TasWater, with the Simplot example, was on site threatening to turn the system off?

Mr THEO - I'm not sure whether that's a statement of fact or not. I can't answer that question. What I can say is that there is an obligation on the part of industrial customers to comply with trade waste requirements. You then go through a process to ensure that parties are working collaboratively to make good the situation that's before us.

PUBLIC

Physically turning off an industry? Think about the practicalities of that. It's pretty impractical. We focus our attention on making sure that people are committed to doing the right thing.

Mr WINTER - Has TasWater threatened to do that, though? Does anyone here know?

Mr THEO - Again, I don't know. I wasn't at that site. Whether that was a statement of fact or not, I can't tell you.

Mr WINTER - Do any of your colleagues know the answer?

Mr THEO - I don't think anyone at this table would've been on site.

Mr WINTER - Surely someone at management level would have known what was happening.

Mr THEO - Well, management would've been aware that with all our trade waste customers, we're in regular dialogue.

Mr DERBYSHIRE - I think also, Dean, the language around threatening is not quite right - we would have had a conversation. There is an option that if a business doesn't come into compliance that we could go down that path. Our first preference is always to work with that business and look at options for keeping them running and keeping the environment protected.

CHAIR - I have a follow-up question around biosolids. We know that there have been breaches at various sites and you're talking about legacy issues around maintenance and how many of these treatment works need to be replaced. Where do your biosolids end up? What are the controls in place to ensure that there is no spillage, or that they're going to a good home, so to speak, but handled properly after they leave your treatment works?

Mr DERBYSHIRE - We have a contractor that, beneficially, land spreads more than 98 per cent of our biosolids. I think you're referring to a spill recently on the eastern shore on the road, which was quite minor and cleaned up really quickly.

CHAIR - I wasn't, but thank you for bringing it up.

Mr DERBYSHIRE - Okay, no worries. That was just on the road.

CHAIR - I was actually thinking about Blackmans Bay and the waste treatment works. I think there were problems there. But biosecurity, when you're moving from place to place with contractors or whoever moves it -

Mr DERBYSHIRE - Blackmans Bay is a relatively new plant. We had some minor issues with stability of the biosolids before carding that we worked on with the EPA. Our contractors go through rigorous inductions. They operate under our policies and procedures. Has that answered your question?

CHAIR - Well, it's a complex question and a complex issue. You said you had a contract where - I can't remember the percentage of -

PUBLIC

Mr DERBYSHIRE - More than 98 per cent beneficially reused.

CHAIR - Beneficially reused for land spreading. Do we know actually what is in the materials that are spread?

Mr DERBYSHIRE - Yes, we do.

CHAIR - Is there any PFAS or anything of concern in relation to that?

Mr DERBYSHIRE - We test all our biosolids. The PFAS National Environment Management Plan has recently been updated and sets limits for land application. If we do find PFAS, and we have, it doesn't get land spread, it gets taken to landfill and destroyed.

CHAIR - So you're 100 per cent sure that no PFAS has been land spread?

Mr DERBYSHIRE - We operate in line with the latest National Environment Management Plan.

CHAIR - All right. I'd love to ask more questions but I know we've only got a few more minutes. Professor Razay.

Prof RAZAY - TasWater has an ambitious goal to recycle 100 per cent of the treated effluent by 2050, in line with Tasmania's sustainability commitments. What initiatives are in place to support accelerating this reuse goal? What are we doing to encourage people or incentivise the industry to use recycled water? Are there any interim targets rather than 100 per cent by 2050, let's say 50 per cent by 2030?

Mr THEO - Great question. The first thing we need to do is consolidate a number of our treatment plants, which is what we're doing, so we can create scale for recycled water use. We're targeting industry and agriculture for potential end users of that recycled water.

In the next calendar year - and you can let me know if I've got this wrong, Kane - we want to go out with an expression of interest to the market and say, 'This is what we've got in terms of volume of recycled water. This is the quality of the recycled water and this is where it is. Is there anyone out there who would have an interest in that water?' We actually want to open it up Australia-wide. It might even attract new business to Tasmania, where they may see the volume of water we have as an opportunity for them to set up here. We are very open-minded. It's not just looking at what already exists in Tasmania but potentially looking at who can come.

Mr FERGUSON - I'm out of questions, so I want to use this opportunity to thank TasWater. I'll finish with a question, then, to save Mr Winter getting anxious. I want to congratulate TasWater. It's a completely different business to what it was even five or six years ago. It's very professional, very customer focused, there are challenges ahead but I'm greatly impressed, and so should you be. I wonder if you agree.

CHAIR - Mr Winter.

Mr WINTER - Hello to Miles Hampton, if he's watching.

PUBLIC

Mr FERGUSON - It should be possible to give a compliment at these hearings.

Mr WINTER - Of course. In terms of the trade waste policy, where are we at? Since the election policy came out, can you explain to the committee what is actually happening in terms of the trade waste policy? You mentioned a review. What's going on and what's the timeframe in relation to that?

Mr THEO - We're not driving this process. Personally, I don't know where it's at. We will be a participant in the process. I don't have any more detail than that.

Mr WINTER - Does someone else at the table?

Mr THEO - We're not driving this process.

Mr WINTER - So what engagement have you had from the state government in relation to trade waste policy since the announcement was made?

Ms CRAWFORD - It's in very early stages. We haven't had a lot of engagement to date specifically on the scope of the review. However, we have provided some context to them in relation to the way the current regulations work and how that constrains us in terms of what waste we could accept. We are constrained currently by certain limitations in the legislation which don't allow us to accept waste that has levels above that.

Mr WINTER - What engagement have you had? You said not a lot, but can you take the committee through exactly what engagement you have had?

Ms CRAWFORD - I think we'd have to take that on notice so we can provide the right information to you.

Mr WINTER - Sure. Back to Simplot, I wasn't very satisfied with the answer I got. It's a really big employer on the north-west coast and I was lucky enough to go up and meet with a few workers there. What was the engagement TasWater had with Simplot in relation to their trade waste and what is the current situation with them?

Mr THEO - What I can tell you is that there's been conversations with Simplot and other industrial customers for years to work towards compliance.

Mr WINTER - But it's escalated pretty heavily in the last few months.

Mr THEO - I think there comes a point in time when you've got to say that you're going to make inroads into being compliant or you're not. Either we take the environment seriously or we don't.

Mr WINTER - I'm trying to get to the bottom of what the situation is at the moment.

Mr THEO - I'm happy to provide that information to you. What I can tell you is that we continue to work constructively. The vast majority of our industrial trade waste customers are on modern agreements. These are global businesses with huge amounts of resource behind them that can do the right thing by the quality of their trade waste and invest in pretreatment.

PUBLIC

Mr DERBYSHIRE - We signed a trade waste agreement with them on 10 July 2025. Within that agreement it includes a commitment for site improvement works and lifting discharge quality within compliance limits for the outfall.

Mr WINTER - Within what time period?

Mr DERBYSHIRE - I don't have that in front of me, sorry.

Ms CRAWFORD - Three years, to 2028. We acknowledge that these are significant investments and it does take time. In the contracts that we have there are milestones so we can also have comfort that it's going through design and planning, approval processes, and then implementation.

CHAIR - This is my last round of questions. I'm interested in the AI facility proposed for St Leonards and I'm just wondering, do you supply water to those kind of commercial -

Mr DERBYSHIRE - No. In that situation, early on they made some inquiries around water for cooling - which I think from memory is around a megalitre per day - but they've since moved away from that. They use some other way of cooling down the processes that doesn't require water.

CHAIR - Are you concerned about impacts and demand from such businesses, because it's very energy- and water-intensive?

Mr DERBYSHIRE - It's a huge issue at the moment and we're not alone in Tasmania with the number of inquiries about data centres. I know in Victoria they have - I can't remember, George - something like -

Mr THEO - About 30 in the planning.

Mr DERBYSHIRE - Thirty in the planning process. Sydney's the same. We worked with the Water Services Association of Australia to lobby government to think about smarter investment in data centres, which have things like the efficiency and how much water they actually use to drive that down as low as possible, and encouraging developers or businesses to come and talk to us as early as possible so that we can discuss where we may or may not have capacity in our networks.

CHAIR - What discussions are you having with the state government in relation to this?

Mr DERBYSHIRE - I think it's actually being done at a federal level at the moment.

CHAIR - So no discussions with the state?

Mr DERBYSHIRE - Well, it goes through the planning process so we have involvement there through our development services team. In terms of water extraction, NRE is the regulator and I guess we're looking at the capacity of our infrastructure to supply those data centres.

CHAIR - Thank you. Professor Razay, we've only got a few seconds left.

PUBLIC

Prof RAZAY - I have a question for you guys. With the increased demand for infrastructure -

CHAIR - I'm afraid the time for scrutiny is over. I would like to thank everybody who has come along. Thank you for taking our questions. Thank you, committee members. It might be the last time that I see you.

We will have a direct changeover. We have Sustainable Timber Tasmania next.

You can halt the recording, thank you.

The witnesses withdrew.

The committee suspended from 10.15 a.m. to 10.20 a.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Aurora Energy Pty Ltd

Tuesday 25 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Peter George
Ms Janie Finlay
Mr Mark Shelton
Prof George Razay

WITNESSES IN ATTENDANCE

Hon. Nick Duigan MP, Minister for Energy and Renewables

Nigel Clark
CEO, Aurora Energy Pty Ltd

Trevor Danos
Chair, Aurora Energy Pty Ltd

Nicole Hunt
Chief People Officer

James Chisholm
Chief Financial Officer

Alistair Burke
Chief Digital Transformation Officer

Ian Hermanis
Acting Chief Operating Officer

Will Barbour
Chief Customer Officer

PUBLIC

Aurora Energy Pty Ltd

CHAIR - Welcome everybody, the time being 2.00 p.m., scrutiny of Aurora Energy will now begin. The time scheduled for scrutiny is two hours. Members will be familiar with the practice of seeking additional information which must be agreed to be taken by the minister of the Board or the Chair of the Board, and the question handed in writing to the Secretary.

I invite the minister to introduce the people at the table, their names and positions, and to make a brief statement to the committee.

Mr DUIGAN - Thank you, Chair. Good afternoon, all. With me I have Trevor Danos, Chair; next to him Nigel Clark, the CEO; we've got James Chisholm; Alistair Burke; Nicole Hunt; I think Will Barbour to my left; and my chief of staff, Amanda Lovell. Great to be with you all to talk about Aurora Energy here at GBE Scrutiny.

Firstly, again, I thank the board and the senior executive team and all the staff at Aurora Energy for continuing to provide high levels of service to more than 270,000 Tasmanian customers. The electricity sector continues to evolve at a rapid pace shaped by global efforts to reduce carbon emissions and changing costs in energy generation, transmission and in storage.

Along with this, the rise of consumer energy resources means the way consumers are interacting with the grid is also changing - rooftop solar, batteries and electric cars are all helping drive the shift to the system. With households becoming an active part of the energy system, operating in this environment requires a proactive, future focused stance. Aurora remains focused on this, delivering improved services through digital platforms like Aurora+, which has clocked 120,000 users, as of October 2025.

Aurora has had a strong year with performance above target, returning an EBIT result of \$5.5 million and a dividend of \$4.8 million which will be used to deliver better outcomes for Tasmanians through funding things like roads, hospitals and schools. The Tasmanian government remains committed to delivering positive energy outcomes to all Tasmanians and I'm pleased to report that Tasmania continues to have the lowest regulated energy prices in the nation. Additionally, we have some of the most generous electricity concessions in the country and I thank Aurora Energy for its work in delivering these concessions to Tasmania.

I'd also like to acknowledge Aurora's efforts in supporting customers experiencing financial vulnerability through its Your Energy Support (YES) and Knock to Stay Connected programs. These programs provide affordable payment plans, tailored energy-saving advice, protection from disconnection and more. Aurora continues to have a strong community focus, investing over \$490,000 across 24-25 in partnerships and donations, supporting great initiatives like the Variety Tasmanian School Breakfast Club, a no-interest loan scheme and Hockey Tasmania. I'm very pleased to see Aurora recognised for its efforts in this space of the Tasmanian 2024 Volunteering Awards, winning the Volunteer Impact Award in corporate partnerships. With those few words, I will pass to the chair to provide his opening remarks.

Mr DANOS - Thanks very much, minister. I'm very pleased to appear before the committee today as Chair of Aurora Energy, having joined the board just over 12 months ago.

PUBLIC

Reflecting on the past year, we're extremely proud of our efforts to make energy easy for our customers, as Aurora being the only energy retailer owned by the Tasmanian government. We continue to operate in a rapidly evolving energy market, shaped by global efforts to reduce carbon emissions. Despite those challenges and the uncertainty, we remain committed to achieving our strategic goals and delivering lasting value for our shareholders, customers and the community.

This year, we've made significant progress in customer experience financial performance, product development, employee engagement, digital innovation, community impact and energy education. As the minister mentioned, we recorded a profit after tax of \$4.3 million, favourable to budget by \$1.3 million, an improvement on the previous year's results, which allowed us to return \$2.8 million to the Tasmanian government. It represents strong fiscal management in the face of significant financial headwinds, including volatile wholesale market conditions and sustained cost-of-living challenges for our customers. We very much recognise the financial pressures that many Tasmanian households and businesses are facing, and we remain committed to supporting those who are doing it tough. In partnership with state and federal governments, we've delivered 1.36 million government energy bill rebates totalling \$108 million to support residential and small business customers. Every Tasmanian household received a \$60 renewable energy dividend payment as well as additional support through the federal government's Energy Bill Relief Fund. These targeted payments were provided on top of existing energy concessions, which remain among the most generous in the country.

For employees, pleasingly we saw employee engagement results increase steadily, continuing to increase year-on-year from 2022, with engagement scores increasing from 66 per cent to 73 per cent over the last two years, demonstrating that our many and varied efforts to improve culture are working. Today, more than 120,000 Tasmanians are actively managing their energy use and cost through our free Aurora Plus app, thus enabling customers to take advantage of our popular Power Hours program.

Advanced meters are a central part to what we're doing in our product development, in our customer experience. Over 92 per cent or more than 250,000 of Tasmanian households have an advanced meter installed ahead of the state governments 2026 target for installations and well ahead of the national recommendations for set by reference to the year 2030.

Appreciating cost-of-living pressures and the need to be ever more present in the Tasmanian community, we also have strengthened our community-engagement efforts in the past year. We continue our long-standing support for the Tasmanian No Interest Loans Schemes (NILS), which provide safe, fair and affordable loans to low-income households. Our ongoing investment has enabled more customers to accept to access energy-efficient appliances without resorting to predatory lending or rent-to-buy schemes. Over the past decade this support is estimated to have saved low-income families over \$23 million.

The industry in which we operate continues to transition to renewable energy. We must ensure we remain relevant and trusted with our Tasmanian customers in an increasingly competitive market. To close, Tasmanians can be guaranteed that when they need us, they will be able to speak with someone who lives here, whether in our Hobart or Launceston office, someone who understands Tasmania's energy needs and who genuinely cares about them and our community, knowing at all times that the financial returns that we generate benefit the people of Tasmania. Thank you.

PUBLIC

Ms FINLAY - I'm going to be particularly interested today in terms of the cost-of-living pressures for Tasmanians and how support is provided to them as people, but also through their bills. The mention of the Power Hours Program, I am keen to understand how many Tasmanians are engaged in the Power Hours Program and in a cents and dollar figure, on average, how much someone benefits financially from the Power Hours Program?

Mr DUIGAN - It's one of those important initiatives to drive that engagement, to drive that literacy piece as we're rolling out the app and asking people to be a bit more involved in their energy use and understanding when they use. We had Power Hours at my house on Saturday night from 6.00 to 9.00 p.m. We had a party going on. It was great. Everything, the lights were blaring. That's a new level of engagement with the power delivery to my house, for example, and my family's interaction with it. As we have Power Hours and I will let the business talk to the level of value that's delivered through Power Hours, but it's importance and value I would see as being as much that but also engaging or having people engage more with their power.

Ms FINLAY - I'm interested in the global response, but given that you raised it minister, so for those three hours and you chose to participate and allocate those hours, you may then have done your own personal calculation of how much do you think you saved by allocating those hours.

Mr DUIGAN - I'm not aware of the actual saving. I don't know the answer to that, but I know we put the dryer on in the middle of a party. Probably one for the CEO to speak to in terms of the level of value back.

Mr CLARK - Just setting the scene, and then Will can cover some of the statistics. But yes, it is a multi-prong - it's a loyalty program, it's an acquisition program. We use Power Hours for a multitude of things. It is ultimately a cost to Aurora, hence why it's not free hours of power every day, all day, because it does come at a cost - nothing's for free. But we use it as a multi-prong attack, we've had great uptake, and I will get Will to cover some of the statistics on the growth in Tasmanians engaging and the benefits of the scheme.

Ms FINLAY - Before you throw to the number of Tasmanians, the costs to Aurora - what are the costs of the program, in terms of delivering it, managing it, the technology, the marketing?

Mr CLARK - Now that it's established, that cost is minimal. Basically, we dial it up through our engagement systems with customers and make them aware, so it's fully embedded in A+. The actual cost of delivering the program is minimal.

Ms FINLAY - Thank you. So, the establishment cost of the Power Hours program, in terms of the marketing?

Mr CLARK - To be honest, it was pretty minimal, so a number doesn't come to mind as to what that cost was.

Ms FINLAY - Is that something that you're able to -

Mr CLARK - We would have to come back on that, but it was not a large amount of money to set up the scheme, no.

PUBLIC

Mr BARBOUR - Thanks for the question. I might just come back, if that's all right, to the opening question. But the establishment costs in terms of marketing was actually reasonably modest, given that we have good access to our customer base and it's accessed as a proposition by customers who utilise Aurora+. As the minister referenced in the opener, as of yesterday, over 121,000 thousand and a bit Tasmanians utilise Aurora+. There's not an incremental cost as we go on to accessing or putting the different Power Hours events in front of those customers, be it through in-app notifications or emails. Now, some of those customers we can't reach if there are marketing consent considerations, but through the app if you've got push notifications activated, there isn't any sort of material additional marketing costs. There are big campaigns running on an ongoing basis for this.

Ms FINLAY - So, the establishment costs are something that you can come back to me with? My question was how many Tasmanians have taken it up, and on average what is the cost and cents benefit to Tasmanians for taking up the hours of power?

Mr BARBOUR - How many Tasmanians - it's up around 100,000 now, who have participated at some stage within the life of Power Hours. Some of those will be consistent users, there is a range of numbers of events that people have participated in. The events are year-round and on a per-event basis. There will be different time slots, and we try to flex the time slots, so that they might suit a family or folks who might spend the day at home and give options to Tasmanians. Then, some people move in and out of the state, so to nail it down and say this is how many and this is the average is difficult, because people have different lifestyles.

Ms FINLAY - I suppose what I am trying to understand is - and you use an interesting word in your response, in terms of it was an acquisition, so it's about loyalty, engagement and literacy acquisition. There was a big push to promote it at the beginning, and my internal contemplation was, what are the costs of promoting this as a communications or engagement exercise? Where to many in the community who are trying to reduce their cost of power, it comes across as though it's going to provide you with material savings if you participate. I'm trying to understand if people experience material savings in their power bills?

Mr CLARK - I will take this one, Will. I don't think we've ever used those words that you're using of 'material savings' -

Ms FINLAY - Of course not. Well, let me phrase the question in a different way - it's implying that people get a reduction in their power bills.

Mr CLARK - It's part of our marketing program and it's given away \$1.26 million, which is not an insignificant amount of money and 3.39 million free hours of electricity. It's one of the many ways that Aurora helps Tasmanians doing it hard, along with our debt programs, YES program and a variety of other things. It's not an insignificant amount of money, when you look at the margins that we make - we are very tightly regulated. \$1.26 million is a significant contribution to the Tasmanian consumer base that we have.

Ms FINLAY - So, there was a reduction for the 100,000 events or customers that participated of \$1.26 million?

Mr CLARK - That is the value to date of Power Hours: \$1.26 million, 3.39 million hours.

PUBLIC

Mr BAYLEY - My question is to the Chair. Chair, thanks to you and your team for coming today. I look forward to the conversation. I just want to start with dividends paid to the state in 2023-24. As I understand it, you delivered a dividend of \$900,000. Similarly, despite making an additional profit in 2024-25, I had down that you delivered, despite a budget of \$1.4 million, an actual dividend of \$900,000 as well. But, I heard you say in the opening there that it was \$2.8 million. Can you just unpack for us the dividend contribution, as you understand it? Because I thought I saw in the budget that it was \$905,000.

Mr DANOS - The Chief Financial Officer is probably best placed to respond to that.

Mr BAYLEY - As you like. Sure.

Mr CHISHOLM - Thank you. The \$2.8 number quoted is the returns to government. That's made up of the dividend paid of \$900,000 and income tax expense of \$1.8.

Mr BAYLEY - Okay, so that adds tax as well with tax contributions?

Mr CHISHOLM - Yes, income tax expense.

Mr BAYLEY - Right. Strictly speaking, that's not a dividend, is it? That's just, I guess, a taxation return?

Mr CHISHOLM - That's the returns to government, because the government get the income tax.

Mr BAYLEY - When it's budgeted across the forward Estimates 2025-26 for \$3.3 million, 2026-27 \$5.7 million, 2027-28 and 2028-29 of \$7.5 million, does that include those taxation elements as well?

Mr CHISHOLM - No, that is pure dividends.

Mr BAYLEY - I guess my question is: there's a significant increase there, or projected increase - it's going to double on the projected 2025-26 dividend - and it's nowhere near the \$900,000 that has been delivered over the last two years. Are they ambitious, the projected dividends? And what's the basis of those projections?

Mr CHISHOLM - If we look at the financial projections for the organisation - last year, we made \$5.5 million. We are looking to make \$9.2 million - this is EBIT - going out to about \$12.5 million.

That's very much driven by a number of factors. One of it is around tighter cost management, so looking at labour costs reducing in real terms. We have revenue coming in from late payments fees and in interest on overdue accounts. Then, it's the price determination outcomes.

As a whole, in essence, revenue per what we've been allowed by the regulator relative to our cost base, and we're trying to manage costs on the way out. So, we don't think it is overly ambitious; we think that's a realistic target for the business.

PUBLIC

Mr BAYLEY - Where are some of those tighter costs management opportunities for the business?

Mr CLARK - I will pick that up. What you've seen in our results improving in the last two years and will continue to improve - it is things such as efficiently on how we run our front and back office operations, getting return for the investment that we make in technology - as you would expect, you shouldn't invest and not get payback - so, tightening up management of IT systems, trying to reduce the amount of systems, and the redundancy of the systems. It's closing down revenue leakage. In our business it's very easy to let money slip through on things like occupier accounts historically and the like, which we've shut down.

The growth that you've seen in our income is not by chance or fluke; it's been by hard yards of a clear strategy on improving revenue margin and reducing costs, and hence you get the net result improving. But, as you will see, it's not a hockey stick. It's a modest build over the next four years which we feel comfortable we can deliver.

Mr BAYLEY - Just to finish off: the budgeted dividend this year was \$1.4 million, but you delivered \$900,000. What was the reason for that \$500,000 discrepancy? What would you put that down to?

Mr CLARK - Maybe James can elaborate on the concept of dividends and the percentage ratio.

Mr CHISHOLM - I think when you look at the overall results, the dividends are paid on underlying earnings. Although you've got earnings that are higher than budget, part of that is a result of an onerous contract. When you adjust for that the numbers come out at that 900 - but really it is a reflection of earnings for the year.

Mr BAYLEY - Which is that onerous contract?

Mr CHISHOLM - This is the Cattle Hill.

Mr BAYLEY - Right. I will come back to that.

Ms JOHNSTON - The annual report doesn't seem to publish any disconnection statistics. Can you provide us with the total number of disconnections and reconnections for the last five years? Disconnections for customers on concessions, or in the YES Program, and the median average debt at the point of disconnection for those customers that have been disconnected because of debt, please?

Mr CLARK - I will pass that one to Alistair, but just before we jump to that, back to the member. The cost of implementing the Power Hours system was \$260,000 as a project.

Ms JOHNSTON - Thank you.

Mr BURKE - Thank you, and I might need to get you to repeat some of those questions. Before I get into some of the specific data, what I would reiterate is that every year - and the last financial year is no exception - the disconnection step in the process remains the last resort for Aurora Energy and it's only after we've been through a full collection cycle with a number of different proactive touch points that we get to the stage of potential disconnection.

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As was alluded to earlier, some of the additional programs that we've implemented in conjunction with the likes of TasNetworks over the last year or two - in particular the Knock to Stay Connected program - has added an additional step, an additional opportunity for customers to engage and to avoid the disconnection taking place. From our perspective, we continue to see that process and any touch point with the customer as a critical opportunity to identify where customers may be in need of additional support. So, that is a big part of that process.

In terms of the last 12 months - I think it was the first question - we saw a reduction in disconnections year-on-year of 28 per cent to 214 disconnections spread across residential and small business customers. In terms of residential customers there were 191 disconnections which took place, and for context, we currently have almost 240,000 residential customers, so a very, very small percentage of the overall customer base.

I think the following question was around reconnection. Of those that were disconnected, we had 30 per cent reconnected within seven days, which is the metric that we record and monitor in that space and that's broken down to 57 residential customers reconnected with Aurora. Just important context on that figure though, obviously we are only one of a number of retailers in the market in Tasmania. We don't have visibility of what happens to all customers post that disconnection occurring. So, while that percentage reconnected with Aurora under the same details, there is a strong likelihood that customers did move on to other retailers or looked to connect in a different way.

Ms JOHNSTON - Disconnection for customers on concessions and the YES Program?

Mr BURKE - Importantly, we don't disconnect with customers on the YES Program. Anybody who's actively engaging with us, that's a critical part of our hardship program, we won't disconnect, so there's zero. In terms of the last financial year, there were 71 customers that were on concession at the time of disconnection, noting we do have over 90,000 customers in Tasmania receiving a concession.

Ms JOHNSTON - And the final one was median average debt at the point of disconnection.

Mr BURKE - We might need to see if we actually capture that figure. We do capture lots of data around debt and disconnections, as you can imagine. The debt amount is not necessarily a determining factor in the connection process. We do have thresholds where we won't disconnect for low amounts, but we don't actually track that in terms of a metric to make an assessment around disconnection. I will see if we can actually get that data. It may not be something that we record.

Ms JOHNSTON - Thank you.

CHAIR - Are you asking to take that on notice?

Mr BURKE - I will seek to bring that information back. The first will be just to confirm -

CHAIR - We just didn't get to all of them last time.

Mr BURKE - Sorry.

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Ms JOHNSTON - If it's able to be taken on notice then, if he can't bring it back today?

Mr DUIGAN - Just in terms of if it's not a number we capture and bring it back.

Mr BURKE - We might not capture that number.

Mr DUIGAN - If we can provide it to you, we will.

Prof RAZAY - Many senior Tasmanians have concerns about the mandatory rollout of the smart meter. Some of it was health concerns - basically, they were concerned about the electromagnetic exposure from the pulsing radio frequency communication devices in the meters. The other concern was about - they were promised that it will give them some saving and they feel that actually the bills have been increasing, especially when they use multiple devices.

At the moment, they cannot opt out from mandatory installing smart meters, but they can opt as well to have their meter to be measured manually every three months rather than remotely.

My question to you, minister: how do you address the concern about their health and also the increased cost, and whether you will assure them that they will continue in the future to have their option of reading the meter manually?

Mr DUIGAN - Thank you, Prof Razay. I appreciate the question. More broadly, the rollout of smart meters, which has been very successful in the case of Aurora, is like any sort of change: it brings with it new ways of doing things, new opportunities, and people who are somewhat resistant to it, and I understand that. As we are working our way through, given we are - how far through are we, 90 per cent?

Mr CLARK - 93 per cent.

Mr DUIGAN - 93 per cent. We are into what I think you would call the 'tail', and those are either: premises that are very difficult to do, because the wiring's old or there's been something built in front of it, or, potentially the customer has some reservations about changing over. So, these will come more slowly, and I recognise that. I think that's probably okay. I'm happy to work with people on that.

In terms of greater cost to customers, that's not the case. Customers will be able to stay on the tariffs that they are on, irrespective of whether they have an old meter or a new meter. They will be charged for the energy they use irrespective of the device used to measure that usage.

The point you raise about radio signals: I think that is a common misconception among some of those people - I'd be happy for Nigel, perhaps, to speak to that - because it is a pretty low level.

The aspect of reading meters, though, is something I would comment on. As there are fewer and fewer old-school meters out there in the community, the cost of reading them manually goes up, and I think at some point, that needs to be reflected for those people who

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refuse to have their meter automatically report. If they want that manual reading, then they probably should expect to see a charge coming for it.

In terms of the radio frequency and so on of smart meters?

Mr CLARK - Sure. We are not aware of any credible scientific study of any form that creates that fear with any logic. The industry wouldn't be rolling out smart meters if that had been the case. Smart meters have been around for decades in some countries and jurisdictions; there is no reported evidence.

Secondly, we see the smart meter as an ability for elderly Tasmanians to be able to save money through the use of A+ and time-of-use tariffs. They can load shift if they're home during the day. They can use a lot of their consumption during the day, which is the off-peak power rate that's only available because they have a smart meter.

I convey what the minister said. Eventually, people that have a basic meter who choose not to have comms connected - really, we will have to have a user pay concept of meter reading, because the meter reading cost is going to become prohibitive, and we would argue that that is unfair on the balance of Tasmanians who have adopted the technology.

Prof RAZAY - As you know, nearly 23 per cent of our population are over 65, and I feel that it's nice to give special attention to our seniors, because education is so essential to address some of their concern and how to deal with the new technology as well. Thank you.

Mr SHELTON - Minister, some of the discussion already today has been around the rise of cost of living over the last few years. We know it's been a challenge for some Tasmanians, which can sometimes result in the actual energy and energy debt. Can you please explain what support Aurora offers to vulnerable customers and those with energy debts, please?

Mr DUIGAN - Thanks, Mr Shelton. As you mentioned, there has been some discussion of this already, and it is an area of significant effort by interest for the government and effort by Aurora. We provide our concession framework, which has been described as one of the most generous in the nation, and Aurora support the vulnerable customers through the hardship Your Energy Support (YES) Program, which provides affordable payment plans, tailored energy advice, direct referrals to financial counsellors, protection from disconnection and more - that has assisted more than 16,000 customers since 2014. The YES Program has been recognised nationally, with the national regulator calling it a driver for recent decreased hardship debt levels in Tasmania, and this is a fantastic initiative.

Potentially, chair or Nigel, you might like to provide some further information about that. But I think what we do know, is the sooner we engage with people who are experiencing hardship paying their bills, the better off they are.

Mr CLARK - Yes, the YES Program is one part. I think it's safe to say it's in the core DNA of Aurora is that we are a Tasmanian proudly owned business, so we look after the interests of Tasmanians - through things like YES and through things like our debt forgiveness program that has allowed a lot of people to get out of a debt bow wave that they could have no future sight of being able to get out from under, and we've been able to come in and meaningfully work with them and the success rate has been extremely high for them to get out

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from under that debt cloud. There is a range of things that we do - all our debt processes, which Alistair has already alluded to today.

It's about getting the people early and creating that ability to have the discussion of being in hardship, which is an embarrassing situation for a lot of people. Our team works very hard to create the opportunities and the connections to then get them on programs and to get good results, which we've seen in the last year reported through the AER. This area for us, as I said, is very core to our DNA.

Ms FINLAY - With the details around Power Hours, around looking to modify when people are using power in that it's a sort of behavioural change program, I suppose. The change in the tariffs available to Tasmanians, I read in one of the reports, is also about behavioural change.

We had an exchange last week on the Tariff 41 - I know that people can be grandfathered into Tariff 41 - and the move to Tariff 93. But, post-2029, what will be the differential between Tariff 41 and Tariff 93? My understanding is that there will be incremental changes where the grandfathering will be neutralised, because they will practically be the same - can you clarify that?

Mr DUIGAN - I would be happy for Nigel, if you've got the complete detail there?

Mr CLARK - We can give some light on that. But before we jump to that, just back to the member's earlier question on debt.

Mr BURKE - Yes. We track the debt at the time the disconnection is scheduled, so for the period 1 July - and this is only a recently reportable figure - from the period 1 July 2025 to 30 September 2025 - so only for the most recent period of the current financial year - the average amount of residential debt at the time of disconnection scheduling for residential customers is \$3774, and for small business customers \$3042.

Mr CLARK - Thank you, Alistair. Back to the other question - I think what you're alluding to is Tariffs 31 and 41? As covered last year, what's been happening over time is TasNetworks have been on a program to migrate those two tariffs to be closer in price parity, and they are about 5 years through a 10-year campaign to do that. As you know, we then take cost components and have our tariffs regulated, and the regulator regulates the movements in those tariffs, so, we cannot just simply reflect the movements of a TasNetworks tariff. I think, as we covered last year, we cannot suddenly move nor have we suddenly moved a 31/41 to be comparable in pricing. We have imbalances in our tariffs and that's part of the regulated process in Tasmania that has evolved over many years, so the 31/41 is not causing any untoward price changes in those tariffs from a retail point of view.

Ms FINLAY - My question specifically was post-2029, what will be the difference between those tariffs in terms of the experience of a consumer at the moment having choice to stay on their tariff 41?

Mr CLARK - Okay, we cannot answer that question today because the networks component will run its path, but how our tariffs are determined every three years we have a price determination, we have certain rules put on us by the regulator as to how we can move

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price bands. So to be honest, it would only be speculation to know what a tariff might be in five years' time.

Ms FINLAY - So, you mentioned that it was changing over 10 years, and they are five years into a process. My understanding is that, at the moment, and a bit like the question asked previously, back in the day, particularly older customers, would know that their hot water and their heating came off that particular tariff and so there was a benefit in that and that they wanted to maintain that benefit and they could, even though people are being moved across to the time-of-use tariff, as opposed to that hot water and-

Mr DUIGAN - Only if they move, but yes.

Mr DUIGAN - That's right, so new builds are separate, but my understanding is that it has been marketed as though there's a benefit to that grandfathering but post-2029, there won't be a benefit. They will have been over time merged to be the same amount, so people will lose the benefit, particularly our older members of the community, will lose the benefit of feeling like they are in control of having lower power prices for their hot water and for their heating which, for many, gave them comfort and in the questions that will continue from here, I think there's fear that can be generated in the community about how to use their power, particularly when there's marketing programs about changing behaviour and perhaps changing long-held behaviours and so, my question was is that correct, that post-2029 there will not be a differential in those tariffs anymore?

Mr DUIGAN - The 31 and 41 will be the same. My understanding is that they will merge to be essentially the same and there will be a single flat-rate tariff offered.

Ms FINLAY - Yes, even though they are sort of being told at the moment that you can choose to have this better tariff, but over time it will incrementally increase.

Mr DUIGAN - Well, as Nigel mentioned, the regulator is key to all of that and the regulator sets those prices. So, that path is available to people now. There might be speculation about what it might look like in five years' time, but my understanding is that TasNetworks is bringing 31 and 41 together.

Mr CLARK - If I can, I am going to shed a little bit of light. Firstly; no, we would not want elderly Tasmanians to fear. As was said, we do not force anyone into a tariff change. Flat-rate tariff 31/41 gives some people the comfort that they want on an all-day tariff, but we know for a fact that majority of Tasmanians with a smart metre going to a time-of-use tariff will actually be cheaper than a 31/41 in many instances. So, firstly there's that element.

Secondly, I think the concept you are picking up on is when the flat-rate tariff was grandfathered last year by TasNetworks, we grandfathered our flat-rate tariffs of new, as you said, moves or new builds coming onto 31/41, but we offered a very competitive flat-rate market-based tariff which we have been offering from day one.

So, for those that will still wanted to have a flat-rate tariff, they have been able to do that at a very competitive rate very similar to the to the 31/41 combination. The regulator, in our last price determination, has asked us to reinstate a regulated flat-rate tariff. So, that will come into play from 1 July 2026. So next year, in our pricing, that will come back into play, so there

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will now be a regulated flat-rate tariff which will be different to 31/41 and so, it's just speculation, as I said, as to where our tariffs would be in 2030-

Ms FINLAY - I think it's known though, to 2029.

Mr CLARK - But you're only talking about the TasNetworks component, we are regulated under a totally different methodology. Our regulator can put very tight bands on how we can move tariffs around. We may never achieve parity in a cost sense on TasNetworks and we have that issue today. We have many tariffs that are not cost reflective. That's a reality and that could still be the reality with what you're talking about.

Mr BAYLEY - I want to explore the onerous contract with Cattle Hill a little bit more and I'd be interested if there are other onerous contracts that Aurora has signed up to. I heard this contract was one of the reasons why Aurora didn't meet its budgeted dividend of \$1.4 million to the tune of \$500,000, and actually delivered \$900,000. I was wondering whether you could talk us through the onerous contract and perhaps provide the committee with the financial return to the business since that contract was signed? I assume it was signed in 2019 or 2020 - around the time that the project was commissioned - so, the last three or four years or so, of returns on the basis of that contract and give us some clarity around other onerous contracts that the business may hold.

Mr DANOS - I'm not aware of any others, but the authority on our onerous contract is the CFO and if I may go to James.

Mr CHISHOLM - We only have the one onerous contract and that's the Cattle Hill contract. The contract was marked 'assessed' at the end of this last financial year and off the back of that we took a \$1.5 million onerous contract provision. Some of the impacts on previous financial years were to do with earlier onerous contract provisions taken and then [inaudible]. Since this has been signed, it's been out of the money, it's been in the money, and it's currently -

Mr BAYLEY - Can you give us the sense of each year, what the returns have been or are you able to take that on notice?

Mr CHISHOLM - I don't have that. When we talk about returns, it is really dependent on what we can sell this to our [inaudible] customers for. We do use a lot of these certificates for meeting our obligations to mass-market customers, so under the standing offer customer price setting, it utilises some of that pricing. Some of the contracts we have to buy in the market and - when we look at it, we don't really assess the Cattle Hill contract on its own for each financial year in terms of the green performance. We assess in the whole [inaudible] because it's not only that, we also buy spot-market contracts for LGCs. I think the biggest indication - and we do have a history of when this contract's been in and out of the money. I just don't have that with me. But, at the moment, there is a \$1.5 million contract provision ready and reflecting the fact that the LGC market has dropped off significantly in recent times.

It's one of the issues that retailers have because under the Renewable Energy Trading Scheme, we have an obligation to surrender certificates to the Regulator and this was put in place to get wind farms and solar farms up, so the risks associated with entering into those investments by developers through this legislation was effectively passed through to retailers in order to manage our risks. We do need to take these longer-term positions because we can't guarantee we're going to be able to buy everything in the market. As it stands it is onerous, but

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only by \$1.5 million. I suppose we could go back and work it out. I just don't have that on me at the moment.

Mr BAYLEY - Look, \$1.5 million may not sound a lot in terms of the books of the business, but if it did contribute to \$500,000 less contribution from a dividend perspective it's not insignificant. What are the projections going forward with this contract? Have you modelled it and do you know what it's going to cost or earn the business going forward? How long is the contract for, and what is it going to do?

Mr CHISHOLM - It was signed in 2020 and goes through to 2030. That's when the Renewable Energy Trading Scheme comes to an end. It's quite difficult to make an assessment at this point at this point, as we look forward, it does depend on what happens to the market. The market's come down and could very well go up again, so to project based on exactly what the outcome will be is difficult. There's no doubt at the moment that there's definitely pressure on LGC prices, so it is potentially going to be difficult for retailers with these long-term contracts to manage these positions.

Mr BAYLEY - To take your point, I suppose, does this mean that Aurora effectively assumed some of the risk of the development of that wind farm by purchasing these contracts upfront for 10 years?

Mr CHISHOLM - That's what the scheme was designed to do. It put an obligation on retailers to enter into PPAs to acquire certificates, in order to meet this legislative obligation. Those PPAs that were put in place ensured that the developers could get the funding and the financing they needed, because they had this guaranteed stream of income. It is, as I said, that transfer of risk from developers to retailers, and that's how the scheme was designed.

Mr BAYLEY - Were you directed to enter into this onerous contract by the minister of the day?

Mr CLARK - No, we've covered in past years as well. We weren't directed.

The thing I think I'd add is that this is now an old scheme approaching its end of life. As you know, it's subsequently being replaced by the CIS scheme, which has been the active scheme federally to encourage and underpin the building of solar and wind. And then, there's further changes afoot being proposed in the NEM structure for mid-short, mid-medium, and longer-term, and particularly longer terms for ESEM. So, there's various other forms of scheme that are about to really replace the scheme. This is in its last legs.

Mr BAYLEY - For sure - one of the risks.

Mr GEORGE - I'd just like to go back - most of the questions I had about the YES Program and debt forgiveness have been answered already. Clearly, you are dealing with people who are suffering financial stress, financial trauma, and often embarrassment and shame. I'd like to know, if you can tell me, please, the amount of time that customers have to wait between approaching Aurora for some form of debt forgiveness or assistance and getting an outcome and getting a result. When they're dealing with people, of course it's mostly online. Are they dealing with people who have training in social welfare issues? How many of them are working in that area, and are they Tasmanians?

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Mr DUIGAN - I'll take the opening part of that question. I think one of the great strengths of Aurora and why Aurora continues to have the lion's share of customers in Tasmania is because if you do pick up the phone, you'll speak to a Tasmanian. You'll speak to somebody in Hobart or in Launceston, and they understand obviously the Tasmanian context.

I would like perhaps someone to speak to the level of debt forgiveness, because it has been substantial. As we were talking about, people who would contemplate their level of debt and not see a way out of it and not see a way through, debt forgiveness has been proven to be a very - you know, it's expensive and we'd rather people pay their bills, but having that as a mechanism has been a way to bring people back into the fold. With that said - perhaps, Nigel?

Mr CLARK - Alistair, I think, can cover the questions from the member.

Mr BURKE - Yes, thank you. In terms of the first question around how long customers have to wait, we've put a lot of focus not just in our standard interactions with customers over the phone, but across a range of touch points to identify any triggers of hardship - and that goes beyond just financial hardship.

In recent times, obviously, we've seen increasing challenges around things like family and domestic violence. We have a range of ways to identify, as quickly as possible, any customers that may be needing assistance at a point in time. And as we know, things can change in customer's personal circumstances very quickly. They may have never been in a hardship scenario before and find them in one very quickly. So, we have a very clear focus on identifying that as quickly as possible and then bringing him into our YES Program, which is that dedicated framework to support.

Debt forgiveness is a significant initiative that we've established over recent times, but it's also just one of a number of different tools that we use to support customers depending on their needs and requirements. Obviously, coming into the YES Program you do have that protection from disconnection while you're engaging in the program, but there could be shorter-term support measures like payment plans that might be sufficient for customers, through to longer-term payment plans, more tailored support around energy consumption, how to reduce their ongoing energy consumption and then all the way through to debt forgiveness, which is designed for those customers who built up, particularly through COVID, that long-term debt. As Nigel said earlier, if there wasn't an initial piece of support from Aurora, in some scenarios, it was going to take 5 to 10 years to pay off that debt.

In terms of debt forgiveness, there is a requirement of customers to be participating in the program and be making regular payments towards their consumption to become eligible for debt forgiveness, it's not something that we offer overnight and there's lots of evidence to support that. Customers also need to play an active role in taking steps to manage their debt and consumption, and purely waiving their debt from day one is not going to support longer-term sustainable outcomes. That's how we focus on that program.

There's also a range of other things that we do, and I don't want to take up too much time, but we do other sorts of more targeted incentive payments - we've done Cancer Council support payments and Neil's funding other things as we've referred to.

Mr GEORGE - If I may, I was hoping to get some detail on how on many people work in these programs? How long do customers who are in trouble spend trying to get into one of

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these programs? In the numbers of people involved in it, what training do they have? How long on average is it taking customers who are suffering in a financial crisis to get onto these programs?

Mr BURKE - I'm happy to talk to that. As I said, customers don't have to wait long; it can be instantaneous once they're identified as being in that situation, they will instantaneously go into the program.

In terms of our team, we have a dedicated YES team and they're a Tasmanian-based team and they work exceptionally hard day in, day out to support these customers.

Mr GEORGE - How many are on the team and what training do they have, in terms of social welfare or dealing with people?

Mr BURKE - Happy to talk to that. We have, including our leadership staff and support staff of that team, approximately 13 to 15 dedicated roles within Aurora; obviously, that can change over time, but that's a representative number that we've had for a significant period of time. That includes our team leadership, we have support roles and then also our YES agents.

As I said, this area has become a lot more complex in recent years, and through that we've identified that we do need to have dedicated support for our YES agents. In the last 12 months we've had external providers come into our business and run targeted, customised training and support with people that have got lived experience in this space and who work in this sector day in, day out. We have had significant focus on training and development and also supporting our staff who need to have these difficult conversations on a regular basis.

Ms JOHNSTON - In the 2023-24 annual report, you reported your Knock to Stay Connected programs have 580 knocks that were made, with a 65 per cent success rate of cancelling disconnections, but there's nothing in the 24-25 annual report. I'm assuming from your answer beforehand that the Knock to Stay Connected is still running at the moment. Can you please provide data around how many knocks were undertaken in the financial year, and how many disconnections were cancelled as a result? Also, if there were any fees or charges applied for the Knock to Stay program, please?

Mr BURKE - Yes, we have continued to run the Knock to Stay Connected program in conjunction with TasNetworks. As I said earlier, it is a last step at the end of an extensive collection process. The program since its conception has been significantly successful and has resulted in a lot more Tasmanians staying connected to power, than they otherwise would have been.

In terms of the specific questions - over the 2024-2025 financial year, there were 857 knocks completed, and as a result of that, 609 disconnections were actually stopped, so almost a 70 per cent success rate, in terms of avoiding customers being disconnected and, again, just to reiterate, that's not any customers that are on our existing hardship programs because obviously that framework won't apply in that scenario. Where a knock is successful, there is a fee attached to that which is a direct pass through from TasNetworks of a miscellaneous site visit fee of \$127 which is materially lower than the disconnection costs should a disconnection proceed. So, a standard disconnection for non-payment fee from TasNetworks is \$190 and as we've heard earlier, there's also then often additional reconnection

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costs as well and we see, when disconnections, occur that the fees borne by customers can be up to \$380.

So, it's significantly in the customer's interest to obviously remain connected and for the knock to occur. What we have also done, and we continue to take feedback from our stakeholders around how we can improve our programs and processes, where we identify through that knock that a customer should be on our yes program and they then subsequently enter the program following the knock, we've actually made the decision to waive any of those fees as well moving forward. So, again, another opportunity to get customers under the yes program, but then also look at ways that we can reduce any fees that they pay.

Ms JOHNSTON - It's effectively a fee for cold calling someone's place and a site visit onto a customer. It's only if they are eligible for the yes program that they have that fee waived; if they're in any hardship, is there any way of waiving that? I mean, obviously these are customers who are sort of at the end of their tether, are extremely vulnerable, may not be aware of all the range of programs that are available to assist them, are they the only circumstances? I mean it seems a bit harsh to be cold calling someone to collect debt and charge them \$127 for the privilege of cold calling them.

Mr BURKE - Through you, minister, what I would say is we undertake a range of engagement attempts with a customer before the knock takes place. That includes their invoices, overdue reminders, we have a number of outbound telephone calls to engage those customers, we then send disconnection warning notices, SMS prior to disconnection. So, over that whole period, we do a number of proactive steps to engage with the customer and obviously try, through those contacts, to offer support and get them onto the programs we have before they get to that step.

The important point as well that I would call out is that not every customer who ends in a disconnection scenario is necessarily in a hardship scenario and so, we need to be conscious of differentiating the customers who won't pay versus those who cannot pay and, again, focused on making sure that we are investing in those customers that truly need our support and that's why, as I said, that we go through a number of steps to try and avoid a disconnection to occur, but when that knock does take place, there are some fees associated with the crews to attend the site.

Mr CLARK - I think the other thing to add is it's not a cold call. If that knock wasn't made, they would be disconnected that day, so action is going to be taken either way and it is a cost-saving as opposed to letting them be disconnected and reconnected, so it's not a cold call.

Mr SHELTON - Minister, it's always been interesting to me, in these processes of GBEs, that every backbencher gets a whole heap of information that actually might be out there, but that information comes forward and it's very enlightening, what's coming forward today, so thank you for that and my question is around those energy consumers that, in the past, have just paid their bill and that sort of thing.

Well, we know that the energy market and the processes are getting more complicated in the everyday and, unfortunately, I can only see it getting more complicated as the country moves through the energy transition. However, energy is also an essential service and involves a bill that all households face, so can you please outline some of the initiatives underway to

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help improve customer's understanding of energy concepts so that they are best positioned to manage their own energy costs into the future?

Mr DUIGAN - Thank you. It's an often-banded-around phrase, 'energy literacy', and we would extol the virtues and the benefits of being literate in your energy use. What does that mean? Essentially, it asks you to know how much you're using, when you're using, when's the best time, and what the market looks like. It's all very well for me to talk about that; here at this table we are the beneficiaries of a great deal of information. Out there in the wider community, it's perhaps a little bit more difficult to get to.

Power People, you might be aware, is a program that runs through Men's Sheds. We have ambassadors who are skilled up and provided with knowledge to disseminate into the community and tell people who are interested how they can better make the energy system in Tasmania work for them. Nigel, perhaps, you know - I have had some interaction with Power People people, and it's a system that I really like in terms of a softly-softly and gentle method of communication. You might be able to provide some more detail around that.

Mr CLARK - Thanks, minister. We recognise energy literacy is super important, particularly because we have a lot of elderly customers in Tasmania. Not everyone is fluent on the internet and modern apps and the like. This program, starting out through the Men's Shed, has been a way of train the trainer and train people on energy literacy. There's no point in rolling out smart meters and time-of-use tariffs and the like if people don't understand how those can be of benefit to them in reducing their energy usage and efficiency and creating greater efficiency.

Power People has been going for a number of years now. It has three key modules: energy efficiency strategies; understanding your energy bill; and saving through smart technology. It's not just the Men's Shed - they've been the key facilitator - we've got seven to 10 trained trainers based all around Tasmania. Now, it's branching in to providing sessions to the likes of Rotary, Probus, Neighbourhood Houses. Recently, there were five sessions held during Seniors Week. So, we see this as a terrific outreach from TasNetworks and Aurora in educating Tasmanians on energy literacy.

Ms FINLAY - I have couple of follow-up questions around the disconnections and debt forgiveness. On the debt forgiveness: when someone receives the benefit of debt forgiveness - and you talked about talking through that process and understanding that - what percentage of people, or in real terms what number of people find themselves back in energy debt to the point where they're escalating a bill again? Do they stay actively involved in a program from the point of debt forgiveness? What's the recurrent escalating debt experienced by people who have been given forgiveness?

Mr BURKE - We don't track that level of detail at the moment. It is something that we are focused on in terms of expanding that program and continuing on into the future, making sure that we're capturing the right metrics to be able to ascertain the success of that specific initiative. What we do track is the successful completions from the YES program. Depending on the individual customer scenario, there may be some customers who, even after the debt forgiveness, still need to remain on the program and receive that ongoing support, whereas other customers may actually get that support and then be able to exit the program altogether.

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In terms of successful completions for the program - and again, the reason I say we don't track that specifically is because there's a number of things that we do that might support a successful completion, not just debt forgiveness - but in the last financial year, there were 1,482 successful completions from the YES program, meaning those customers who have paid off any legacy debt are in a position that they are in control of their usage moving forward and agree that they no longer need that level of support from Aurora. That was a 329 per cent increase from the last financial year of successful completions from the program.

Ms FINLAY - Can you remind me what is that number out of? How many people are currently on the YES program?

Mr BURKE - Yes. At most recent capture of September 2025, there were 6,375 customers on the program at that point in time. Obviously, that's a rolling number. We have some that complete and others that come on, so it's ever changing.

Ms FINLAY - Thank you. It's great to hear that you've got a team of 13-15 people that are trained around this engagement with people, when they find themselves in difficult situations. I'm wondering whether you do any data analytics. Back to my comment before - I think particularly with older people, but it's probably not just older people - there is definitely, despite an attempt not to have this happen, concerns in the community about people using their heating.

I know people that are probably doing okay, that still are choosing not to turn the heaters on in winter because of the concern about power prices. I think there's a new demographic of people that are actively concerned, and are taking perhaps uninformed, detrimental decisions around their heating and that's adding to health impacts and things in winter. I'm wondering whether you can put your mind to any data analytics around people's change through winter, around a reduction of power, when you might have 20 years worth of records for them, an old member of the community, they consistently - and all of a sudden their usage goes down, and that you might actively engage before people get in trouble?

I don't know how you would manage it, so that's the question: are you doing any analytics on this, because there are definitely people in our community that might not be disconnected but have turned their power off, that are not lighting or heating their homes in winter and that are choosing to be cold and get sick, rather than actually heat their homes. What level of work are you doing in what is a complex and multi-layered scenario with data, to maybe engage early before people get in trouble, or before people get sick? That's a really long question.

Mr CLARK - Yes, and there's multiple parts.

Ms FINLAY - Yes, but if you can maybe navigate it?

Mr CLARK - Yes, I understand what you're saying. I will give a couple of lenses: one is our work with smart meters, the A+ app and the likes, which is exactly one of those things you're talking about, and that is to give people visibility on their usage to be able to get onto tariffs, load shift where they can into the middle of the day and the like. As to someone's personal circumstance of affordability of energy, you couple that with rent, with food, with petrol, with insurance, so we will leave that that part alone, but of the parts that we can control, our focus is to push the energy literacy, help people try and use less energy - we have no

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problem, and we encourage people to use less energy. Do we have the analytics - you're saying as to does someone suddenly reduce their usage? It's not a -

Ms FINLAY - It might not even be sudden; it might be reshaping.

Mr CLARK - I suppose the issue with that is through our energy literacy, we hope to see people reduce their usage over time. I think to get to the analysis of, or to get to the root cause of what you're flagging would be quite difficult, because people are their own masters as to how they use their energy and when, but our focus is to try and educate them on when is the best time to use it, to lower your cost as best you can, supporting things like energy efficient appliances, support of the NILs scheme and those various things. We also, rightly so, don't have data going back 20 years. The data you're talking about really has only been available since smart meters came into play. When there was a basic meter being read four times a year, we had absolutely no idea what people's usages is, and for those that remain on the basic meter today, that is the problem with those remaining on that.

Ms FINLAY - There would be bill data, I suppose though, quarterly bill data. I think this is sometimes a tricky scrutiny, because you're doing lots of great things: you are proactively engaging with the community, you've got lots of different programs, there's lots of good thought going into how we can support people and there's a lot of outward-focused programs. What about partnerships with people like TasCOSS? I know they're active in this conversation, in terms of concern for energy poverty, and they have come up with ideas around low-income energy tariffs and things.

Do you enter into a way of finding that information out to support people? It might be through conversations with Neighbourhood Houses, with men's sheds and with people having conversations, 'Are you changing the way that you use power?' I know that the Neighbourhood House in one of our communities say that their coffee expenditure in winter goes through the roof, because it's the only hot thing a person will have through winter. They're not heating themselves, so they go and have a hot cup of coffee up at Starting Point. Have you put your mind to, or would you put your mind to ways of doing - and I know that you're doing a lot - but doing more to get early access to information, because a lot of this is about protecting people at the end when there's difficulty with debt, but early access to people in terms of supporting them through their choices.

Mr DUIGAN - I might just mention before handing over to you: in terms of government's energy policy - and I have certainly met with TasCOSS and genuinely asked for thoughts and ideas that they might have in exactly the space you are talking about, how there may be ways to support people and reaching into those difficult-to-access places, you know, I'm more than happy to hear. I imagine you hear regularly from those agencies as well as others but I'm happy to hear if there are good ideas out there. More than happy to hear.

Ms FINLAY - I'm wondering whether the smart people at the table - whether it's an active conversation, whether it's a program or a project, you have to continue to find ways of doing this.

Mr CLARK - Look, we work with a multitude of partners. We have talked about some of them today, NILs, Men's Shed, we work with Salvos, we fund - I think it's at least a half if not a full position - in TasCOSS that advises on energy. We work with the other community groups as you would expect. So, we have forums at least twice a year where we meet with

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community representative organisations that pick up the likes of the organisations you are referring to and also a separate forum with business.

So we use that as a forum to listen and hear what the challenges are that are going on in the community. So we seek to be engaged on multiple fronts. Obviously rolling out Generation You now is another way of trying to bring understanding and literacy to the evolving world of CER that's coming in as well, and I know for a lot of people that's attainable for some and not for others, but we are trying to play that part as well in educating. So we tend to have a full-court press on, I suppose, many ways of trying to connect to the community and hear the things that you are alluding to.

Mr BAYLEY - My question is to the Chair, to the business really, through the chair and it's about customer engagement from a different angle, I guess, and a different cohort. Obviously Aurora is no longer a monopoly retailer in Tasmania and we have five or seven retailers in total, which I think is a healthy thing from a competition perspective, but obviously that means customers are leaving Aurora and I am interested in the steps you take to try to retain those customers or try to win those customers back. Do you offer incentives, what are the incentives, et cetera? How many people work in that kind of program as well? How do you manage that space, because it is a competitive space and if you lose customers, you lose business?

Mr CLARK - Thanks. I will just correct for the record my last question: the position we fund is with the Salvation Army, not with TasCOSS.

Ms FINLAY - That was going to be my next question, what does that one-and-a-half people do with it?

Mr CLARK - Thanks for the question. Will can pick up. We compete very hard, as we have covered in prior scrutinies, we make no bones about that. We are here to protect the value of Aurora for Tasmanians. Competition, retention and acquisition is a key part of being an active retailer. So, Will, would you like to elaborate? Thanks.

Mr BARBOUR - Thanks, Nigel. Yes, happy to expand. Nigel's absolutely right, the market is increasingly competitive across the different segments, be they residential, small-to-medium business and large. So although we still have the majority of the market share in Tassie, it is becoming more competitive and we certainly welcome that. We have, as you say, a commercial imperative to make sure that we are putting operational practices in place and propositions to retain customers and win back customers, but we are inevitably, on an ongoing basis, really cognisant of the competition, that we operate within our sort of boundaries in that respect.

So we have a program of outbound activity to chat with customers who might be at risk of leaving, or who have, and we might be able to bring back to Aurora. Fundamentally, we have chatted a little bit about power hours so far, it's one of our propositions. We have talked a bit about tariff change, around the 80 per cent mark of Tasmanians on our last cut of data, looking at 12 months, would be better off on a time-of-use tariff. We can't get to all of these folks from an engagement perspective.

Sometimes when we do manage to get hold of them post-departure, we can talk them through the savings that they could make and they will come straight back. Fundamentally, our

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value proposition, though, among some other things like power hours is, as a starting point, talk to a Tasmanian about the value of being with a Tasmanian business and thinking about the challenges in the economy and beyond at the moment. A lot of that actually resonates with a lot of our fellow Tasmanians, when you talk to them about the fact that we've got an office in Hobart and Launceston, we understand the conditions here from a climate perspective, we understand the products, we understand the importance of understanding your interval meter data, and with the way that pricing works across the Tasmanian landscape, there's really not a great deal of difference, and in some cases no difference.

We will then chat about the importance of something like getting on a direct debit discount, utilising the power hours at the right time, for example, getting onto the right tariff, and for many customers, the best way to use your solar and for an increasing number of customers, the best way to use your battery. Those different points of value and the opportunity to chat with a fellow Tasmanian will often mean that they will come back and join us.

Mr BAYLEY - Are there other incentives? Are there bill credits or discounts? Is there an internal policy framework that guides this program and actually gives you a suite of things that you can offer people aside from the ones that you've mentioned?

Mr BARBOUR - Absolutely. There's a really well-structured framework for a limited number of people who work in this part of the business who've also had a separate stream of training to support this, but it's quite a defined and well-monitored framework to understand to what extent we can go, going back to my earlier point about our market position, but being cognisant of competition law -

Mr BAYLEY - Are you able to provide a copy of that framework?

Mr CLARK - No.

Mr BAYLEY - That's because it's commercial?

Mr BARBOUR - As you said in the opener, it's a competitive market and, from our perspective, an increasingly competitive one. What I will say is we use some of those levers like I've mentioned, and a lot of Tasmanians recognise the importance of being a Tasmanian business that puts any proceeds back into the Tasmanian community and economy. We do have some things like bill credits and what have you, but no, I couldn't speak to detail because of our environment.

Mr BAYLEY - How many people over the years have been offered this? Have you got that kind of data you can share with the committee?

Mr BARBOUR - Again, I think we'd probably just reference the fact that we're in a competitive environment and that is a stream that's clearly quite directly related to that.

Mr BAYLEY - Through you, Chair: is it only when someone disconnects or calls up and says, 'I'm going to shift to another provider,' that people get offered these kind of discounts and incentives? What I'm getting at is, for a normal, loyal customer who has been with the business for a long time, for example, I guess they deserve some of those incentives equally, and obviously some are power hours, and tariffs and that sort of stuff are completely available, but are there things available that your average customer wouldn't know about that your agents -

that's not the right word - your customer service people can put on the table to try to induce those customers back again?

Mr BARBOUR - Yes, we operate as part of that broader stream of work and this will happen when you call our service centre on any day of the week. For example, I will choose a specific use case here, a lot of Tasmanians who have solar, we referenced earlier the split tariff 31 and 41, so 31 lights and power, 41 heating and hot water. A lot of Tasmanians will just have their solar contributing to one of those two streams, so they're not actually potentially getting the full benefit of their own generation. We have a list that we work through and some of that's outbound calling, some of it's via email, to proactively work with Tasmanians and let them know that's potentially a saving you're missing out on. There are a number of different use cases, but we do this on an ongoing basis.

Mr BAYLEY - Do you do regular reviews of how effective it is, the program?

Mr BARBOUR - Yes, weekly.

Mr BAYLEY - Weekly. And just quickly, how many staff work there?

Prof RAZAY - Minister, the interim Budget revealed that worker compensation claims are rising dramatically, especially with increased psychological injury. How is it impacting Aurora, how much is it costing it, and in particular can we look at how customers are satisfied by looking at compensation claims from customer office staff.

Mr DUIGAN - Thank you, and I take your point and certainly around those rising incidences.

Mr CLARK - We have a very low rate and I will ask Nic to explain the answer to the question. Thank you.

Ms HUNT - Thank you. Aurora put a lot of focus on how we measure and manage the health and wellbeing of our organisation, particularly focused on areas like the psychosocial components. In terms of your question relating to workers compensation, last year we had one workers compensation claim and that only had a loss-time of around a day. So, we've regularly had low claims, that's over the last number of years now and, as I said, we're quite active in terms of how we manage the health and wellbeing of our employees and ensuring that we have a culture where our people feel included and that they can thrive.

Prof RAZAY - Can you elaborate a little bit more? Because it is costing millions of dollars in other organisations, so I am pleased to see that you have got a very low rate. Can you clarify a bit more why you are doing so well?

Ms HUNT - I think if you look at our overall engagement and culture results, this is something that's incredibly important to Aurora Energy. We put a lot of effort into the action plans that we have in place around driving positive cultural experiences and outcomes for our people. We have seen our engagement results increase by up to 73 from 67 per cent in the last year and our most recent survey in October, we had a result of 78 per cent, a further improvement which we are very proud of, and that comes through a lot of activity relating to our leadership development and how connected our people feel with their immediate leaders and the psychosocial elements associated with that as well, providing initiatives where we have

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an inclusion program, which is part of our diversity equity and inclusion strategy, which is a three-year program that we have launched last year, where we look at all elements of the diversity of our organisation and try and, as I said, create an environment where our people feel as though they can thrive.

Prof RAZAY - Thank you.

Ms JOHNSTON - As you'd be aware, the Auditor-General recently released a report and one of the concerns he raised was around remuneration and termination payments for GBE's executive payments. From the Auditor-General's recent queries about executive payouts across GBEs, has Aurora made any changes to its remuneration structure, bonus criteria or board oversight and is Aurora fully compliant with the government's board and executive remuneration guidelines and has the Auditor-General raised these specific concerns about Aurora's compliance in this area?

Mr DUIGAN - Thank you. That's probably one for you, Chair.

Mr DANOS - Well, we are fully compliant, yes, with the policies. I am not aware of any termination payments having been made in the last year and when people do leave, they're paid what they're entitled to, they don't get paid more than they are entitled to.

Mr CLARK - And we have no bonus schemes, so ours is very vanilla.

Mr SHELTON - Minister, being able to invest in energy efficient appliances is a fantastic way to help lower energy bills over the long-term. However, I recognise investing in new and energy-efficient appliances isn't cheap, especially for the low-income households. So, minister, what options are there to support low-income households to get access to efficient appliances?

Mr DUIGAN - Thank you, Mr Shelton, and it's an absolute truism, that the best way to cut your power bills is to cut your energy use, and you can do that by not turning it on or by having an appliance that uses less energy. That's one of the great challenges, I guess, with the energy transition, that electric cars are not cheap and solar panels are not cheap and we need to find ways to bring those perhaps lower-income households along so that they can share some of the benefits.

Aurora and the government have both had a long-term relationship with the No Interest Loans Scheme, NILS, and in 2024-25, Aurora invested \$200 000 into the NILS Energy Saver Loan and Subsidy Program, which enabled 246 Tasmanians on low income to access energy-efficient products including 83 heat pumps, 79 fridges, 74 washing machines and 10 freezers and critically, these appliances are more energy-efficient, helping vulnerable Tasmanians save money on electricity by investing in smarter choices, so that has the effect of lowering your power bill, but also providing a lending opportunity and an option for people who often find themselves with pretty ordinary choices in that space. I will pass to Nigel for a bit more detail.

Mr CLARK - I think NILS is probably hands-down one of the best schemes that we have to support vulnerable people. Since its inception in 2003, when Aurora contributed \$300,000 seed capital - talking to the NILS folks, they will tell you the money has cycled probably 18 times. It's not a one-off sugar hit where you give some money and it's gone; it goes around and around, creating ongoing benefit.

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The success rate of people paying off the debt is very high, and the calculation from NILS on the contribution from Aurora over the last 10 years has saved about \$23 million in three parts: predatory interest saved, reduction on the cost of the appliance, and the energy efficiency achieved from the appliance.

We think it's a fabulous scheme, hence why we support, along with the state government, this scheme. We've been proud contributors now for nearly 20 years, and we will continue to do so.

Mr SHELTON - As a supplementary, just quickly - as riveting as a committee hearing is, not everybody tunes in to a parliamentary committee hearing.

Ms FINLAY - They always do when you're here.

Mr SHELTON - As far as Aurora goes, how do we advertise the NILS program to the wider community?

Mr BARBOUR - Operationally, our staff - and especially those who we talked about earlier, who sit within the YES team - have a really good understanding of the NILS proposition, and so, there's that mechanism. There's a referral to NILS - NILS has a referral network across a number of community organisations around the state - and then, we utilise our channels like our email database, for example - or most recently, you might have seen some editorial and some advertorial in different papers and community magazines around Tasmania talking about NILS.

We need to be careful; NILS has unfortunately an inherently strong customer or client base, if you like, because of general need in the community, so we work quite closely to best understand what sort of volumes that organisation can actually handle, and then we will help to drive some volume through to NILS at the right times.

Mr DANOS - I will just mention, we had the NILS people come to our end-of-year function for not-for-profits and also our opening of the Launceston office. Maybe, Nigel, do you just want to give a colour?

Mr CLARK - Just one other thing, to add colour: we have a Connect event once a year, where we bring all our staff together. This year, we had three speakers from the community who we work with from not-for-profits, and one of those was NILS. They had the opportunity to talk to ninety of our staff about the relationship and the partnership and the benefits. It's a multi-pronged attack, but as Will said, what they will stress heavily is that connect and hand-off - when we have people in stress to hand off to NILS, and vice versa. So, there's a very strong relationship between their team and our YES team.

Ms FINLAY - I know there were some earlier questions around your regulatory operating environment, the pressures that that's putting on you as a business in terms of the thinning retail margins for you to operate on, and therefore the impact that could have on dividends. There's a tension piece somewhere there between your ongoing operations, service to the community, and the service to government.

Can you speak to me about that piece in the middle, where - I suppose, what you see as the ongoing pressures to be, from changes in the regulatory environment and how that impacts

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your ability to return profitability or viability, and therefore, the conversation that happens between you as an entity and the government in terms of dividends?

Mr CLARK - One of the things that is indeed changing is the regulatory environment, and particularly from a federal level. The amount of change - it just seems to accelerate each year in what they are looking to tinker with and change in the market. Some of those things, while they may seem simple at first, have implications on changing billing systems and technology systems, so they can be very expensive.

What we will do is analyse those projects or those initiatives when they are presented and have that dialogue with the government, that if we think the change is not warranted and to the best interest of Tasmanian consumers, we will either seek to defer it, push back, or cancel it altogether, because there are some things that will not make a lot of sense for the Tasmanian consumer. A good recent example would have been this consumer data rights, where we had to put in a CDR system from a federal point of view, it was a large cost to do it and yet we would argue very little benefit to Tasmanians. We will continue to have an open dialogue with government to prevent, in our mind, wasting money on initiatives that have little value.

Ms FINLAY - That piece of tension between - it happens with all of our government business enterprises and state-owned companies, but between your clear mind to operate and return a viable surplus benefit to your organisation, and that need to return a dividend to the government; how much of your focus at board level or at executive level that contemplates, in terms of keeping a balance in that system where those things join?

Mr DANOS - We have to operate as a sustainable business, financially. The regulator effectively sets our prices; that's a bottom-build-up approach. So, they look to see what our costs are, and they compare them to fellow retailers to what's a fair amount, of course, a very significant amount of our cost is the electricity that is costed to us by the transmission and distribution network. We're constrained by what we can charge - we've just gone through the price reset earlier this year, which sets the price framework for the next three or five years.

The business needs to be sustainable; we need to earn enough money to pay our staff, to make investments in IT systems and the like. We don't start the year with a view that we want to pay a particular dividend; we start the year as to what is the cost of operating the business and that should generate a profit, and then the dividend is reflected as a percentage of the profit. It's a fairly normal business activity of the board to look at that.

Mr BAYLEY - Chair, I want to go back to the retention strategies we spoke of earlier. I'm just interested in number one, has it got a name, that program? Has it got a specific name, just so I can refer to it? No? Let's call it 'retention program'.

Just to be clear, I think we sort of got there before, but are there options within that program that you offer to customers who have left the business for another provider, that aren't offered to standing customers - to existing loyal customers?

Mr CLARK - I will take this one. I think the answer to what you're driving at, is the vast majority of Tasmanians are on regulated tariffs. Our regulated tariffs are the lowest in the country and that's been confirmed in multiple years, and we're about to get the 25 report. I think you would appreciate if we started to discount every Tasmanian that's on a regulated tariff, then

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we would be sitting here talking about tens-of-millions dollar losses in Aurora - so, that is not sustainable.

What is sustainable is when you are in a competitive market, you are looking to hold on to certain market segments and types of customers. It is standard practise that you would have techniques that at times will hold on to customers and win back customers. They are questions that are based on financial analysis, the type of customer, the usage and the creditworthiness. There are many factors that that feed into that, but one cannot just get into the process of giving bulk discounts to all customers, particularly because our regulated tariffs are set in Tasmania to be the lowest possible energy prices and are on a very tight leash. I think what you're referring to, is a very small part of the market and the activity that's undertaken.

Mr BAYLEY - I guess I'm trying to understand how big that is, and I guess what I'm trying to come to terms with is incentives being offered to someone to try to win them back or keep them as distinct from incentives being offered to long-paying, loyal customers. There's just a sort of an incongruity about that, I suppose - the fact that someone that's about to leave the business may get a better deal than someone who's a long-term, loyal customer. This obviously comes at a cost to the business. Do those costs get covered by the regulated standing offer prices that you offer to customers? Or is there a separate bucket of money that tries to cover the costs associated with retaining or winning back these vulnerable customers?

Mr CLARK - Sure. Two parts to your question; you're not alone in trying to get your head around the aspects of loyalty that you are referring to. I think every retail business, whether it be energy, telco, insurance, goes through those same challenges of customers that have been with you for many years versus customers you are trying to win or not win, so we're not unique in that commercial conundrum.

Mr BAYLEY - Except that, you know, not unique, but in this space, you are a government business, I suppose, and so there's transparency expectations -

Mr CLARK - We're a government business but we are subject to competition; we are competing in fully competitive market so we are not like your typical government business. Secondly, in answer to do we get an allowance, fundamentally, the regulator does not build in an allowance into our price-determination for competition, so we are regulated very tight on that cost build-up, so there's no visible allowance that is really granted for competing. The best case that comes into play is his determination of our margin percentage.

Mr BAYLEY - Chair, I just have one follow up on this, with your indulgence, Prof Razay. Some of these incentives that you offer, are they the sort of thing that would need to be approved by the Office of the Economic Regulator or Department of State Growth or the minister, him or herself, and have they been approved by anybody?

Mr CLARK - No, we don't believe they need to be approved and we don't seek approval, they are part of running a retail competitive business.

Prof RAZAY - Honourable minister, how cost effective has our rooftop solar investment been in reducing cost of energy? Response from customers, some of them say only a few dollars in saving, while other ones report significant saving on their bills. If it's really very effective in reducing costs, why is it we haven't increased the proportion of solar energy in our clean energy, for example, especially now with the drier years.

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Last year, Hydro contributed it will reduce from more than 90 per cent to 79 per cent. We know wind energy contribution is about 15 or 17 per cent -

Mr DUIGAN - 17 per cent.

Prof RAZAY - Yes, 17 per cent, but solar is static. What is it, is it 3-4 per cent? Why is that? I mean, if it's really cost effective, why don't we invest even more?

Mr DUIGAN - So, we have been investing previous- we have had the Energy Saver Loan scheme, which has run for the past three years and has been a fantastic tool in terms of driving solar uptake in Tasmania and we've seen, I think, \$67 million invested into primarily solar, sun batteries and some other energy efficiency areas, but it has been primarily through solar. So, we have seen and we are continuing to see year on year - I am not sure of the number off the top of my head, but I have a feeling it is 4000, something in that range - of new solar being installed in Tasmania.

The payback is typically around about 10 years or thereabouts for a typical installation on your house. It largely comes down to a choice for the homeowner as to whether they choose to make that initial investment in their house, but I think most people would recognise that it adds value to the home. It adds energy to our grid and we are always happy to have it.

These consumer energy resources do not come entirely without impacts to the network and to retailers and there's the cause and effect, of course, but we certainly welcome growing solar installation in Tasmania and would expect to see that happen.

Ms JOHNSTON - Back to disconnections, I think if I calculate this correctly from the data you gave earlier this afternoon, for 214 disconnections, 23 of those were from small businesses. Do you have data around the reconnection rates for small businesses and can you explain to the committee the steps you go through to assist small businesses who are having trouble paying their bills in terms of before getting to that disconnection point or assistance when you get to that disconnection point?

Mr BURKE - So, just in terms of -sorry -

Mr DUIGAN - Please.

Ms JOHNSTON - Sorry, I sort of threw it straight at you.

Mr BURKE - As I said earlier, within the entire financial year, there were only 23 small businesses that got to the point of disconnection. In terms of our support for those customers, we have regulatory obligations around supporting all small customers, including businesses. We ensure, as we do with all of our customers, that we have ongoing dialogue and provide support including payment plan arrangements, payment extensions and have ongoing dialogue about that business particularly over the last couple of years post-COVID. Since that time there's had to be a degree of flexibility with businesses because things have moved around pretty quickly and that can impact their short-term cash flow and their ability to pay their bills.

The best way that we can support business is that we have dedicated small business roles within operational teams. They work with those businesses around their needs and how we can best cater to those. Again, there are a very small number of cases where, despite the ongoing

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attempts to engage, customers won't do that and without going to that step, sometimes that is the key trigger for customers to actually pick up the phone and speak to us about how we can help. That's generally the case,

Ms JOHNSTON - Of those 23 small businesses who are disconnected, do you have data on how many reconnected? Do you have data on the individual reconnections? I think it was 30 per cent within seven days.

Mr BURKE -Yes, 30 per cent was for both. The breakdown is roughly 57 customers were residential that reconnected and the remaining seven customers were small business. Again, the same issue applies in terms of small business where there is competition and there is ability for small business customers to go to a competitor. So, we might not have any visibility regarding what they do post-disconnection.

Ms JOHNSTON - Thank you.

Mr SHELTON - My next question is on a similar line to Prof Razay's. Over recent years, Australia has seen a huge growth in households investing in Consumer Energy Resources (CER) like solar, home batteries and electric cars. These are a great way for consumers to get more involved in their own energy story. Like my last supplementary, what's Aurora doing in this area as far as educating consumers to the potential benefits of CERs, and supporting their growth for the interest of the consumer? At the same time the relationship with Aurora being a retailer and the households becoming their own producers how is all that unfolding?

Mr DUGAN - Thank you for the question - and Prof Razay in your last question - in Tasmania 62,000 homes or solar installations. Not an insignificant number, obviously room for growth. In terms of CER, to your question, Mr Shelton, it's an area of significant work going on at the national council of energy ministers, there's a lot of work happening there. I know your question was more pointedly to Aurora and how it sees it and I think that's worthwhile exploring here.

Mr DANOS - I will hand over to Will to elaborate on Generation You.

Mr BARBOUR - Thanks for the question. To the earlier points, it is a complex sector that's undergoing transition and even the term 'consumer energy resources' is one that we might all use around the table but you won't find a lot of Tasmanians using that term.

One of the things we've done most recently - and we've taken a position that there's a role for Aurora to educate around consumer energy resources - is to launch a free content hub on the Aurora Energy website. That's branded Generation You and our motive here is that people actually want to engage with this stuff, but it's complex, it's difficult and they don't quite know where to go, so Aurora sees itself as having a leadership role there to be able to make some of that material a lot more approachable.

If you go to the Aurora website, you will see a whole lot of new material, it's hot off the press. Thinking about the fact that it is hard to approach, a lot of this material. We've broken it out to be categorised. It's a bit of fun, there are a number of characters relating to the likes of the storer for batteries, the chargers for electric vehicles, there's a category there for solar, smart appliances and on general electrification and saving money, and then something that weeds its way into everything is the data and insights through Aurora+.

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This campaign platform, or this communication tool, is something that we see as a first step. There will be many more and 2026 will be a big year for us in this respect, but a first step towards really sharing some of that education with Tasmanians. We recognise too that there's a really broad spectrum of understanding of this technology. The material is not supposed to be really technical and detailed. It is supposed to be entry level.

There was a question a little earlier about how do people approach a question around should I get solar? That's exactly the sort of material we're populating the Aurora Energy website with. It's approachable, it's a bit of fun, it appeals broadly, and it can really help people to understand what consumer energy resources are all about and how they can benefit.

Ms FINLAY - Minister, moving on a little bit, we've gone from people to small business, back to our MIs and the Aurora bonds. We would be the first ever to advocate that MIs have to always pay their way, so if they have a bill, they have to pay it. However, regularly the conversation around bonds is raised in visits with MIs. I am interested in - and I'm obviously not expecting anyone to talk about commercial terms on arrangements or whatever - but generally, what is the level of cover that Aurora looks for in their bonds? It's shared with me that none of the MIs are never going to pay their power bill because they need power to do their job and so, I'm interested if they have historically been issues with MIs actually meeting their requirements that the bond covers and then, have the bonds ever been called on? I'm just interested in understanding that because I have a conversation from one side often, now I would like this side of the conversation.

Mr DUIGAN - Thank you and I appreciate the question actually, because it is one of those ones where I think, you know, if you only listen to one side, you would say that's a reasonable argument. If you only listen to the other side, you would say that's a reasonable argument. But I think, in all of these things, there is a balance and there is a need for protection. We are talking about very large quantities of energy use, thereby exchanges of dollars in these contracts and the numbers get big and they get big quickly and the risk to the Tasmanian taxpayer, government, Aurora, is material. If for whatever reason we haven't had our bill paid for a period of something like two months, it's some millions of dollars. The bond is there to make sure that, in the event of default, the taxpayer isn't hung out to dry.

Ms FINLAY - I'm keen to understand how much cover you look for, is that a set formula or is it dependent on the MI? Have there been instances where there's been non-payment and the bonds are being called on?

Mr DUIGAN - To that level of detail, and I believe it's a relatively standard commercial engagement that you have -

Ms FINLAY - I don't know whether I'm going to like the answer or not like the answer. I'm not playing poker with you - facial expressions all over the place.

Mr DUIGAN - But in terms of where it lives and I would take this opportunity, just while we have it, to thank the Aurora team for the work it did recently in, you know, the current case -

Ms FINLAY - I know that one was unique and a bit different, so that's not actually the front-of-mind purpose of the question.

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Mr DUGAN - I just wanted to put it on the record because it was a piece of work that needed to get done. There was some dexterity from both sides, so I appreciate that.

Ms FINLAY - Yes, but it is useful to know that that's not why I am asking the question, that one.

Mr DANOS - Thank you for inviting outside of the explanation. When the Tasmanian electricity sector was disaggregated, for the major industrials, for some historical reason, as it is now, the power to them is supplied by Hydro, but Aurora is responsible for paying Hydro the power that's supplied to the to the MI and that's whether the MI pays us or not. So, at the end of the month, we have to pay Hydro whether or not we have received the money from the MI.

It's just a normal commercial practice that we want to be covered, that we are not going to be caught out, that we have to pay Hydro and we've got no money from the MI.

James can provide more detail, but we just need cover for a month or two months so that we don't find that they've used the electricity, payment is required to be made to Hydro, and we're caught out having to make a payment of several million dollars.

The bond is very normal. Whether it's called or not, in a sense, is irrelevant. It's just a case that we don't want to be caught naked in between the supply of the power and the obligation to pay the power.

Ms FINLAY - That's, I suppose, why the question is particular in is there a standard amount of cover that you seek to have? How often have you been caught in the middle? And, is that a timing issue, or is it actually an 'intention not to pay' issue or an intentional delay in payment? Understanding how often that there's a gap in the process and how much cover - is that unique to the individual MIs, or is there a standard formula for that?

Mr DANOS - James, are you happy to word the methodology?

Mr CHISHOLM - The approach we take is pretty much standard industry practice. MIs or any sort of customers, contract customers, we do credit assessments and we make that assessment. Obviously, depending on the customer's creditworthiness will determine whether we seek credit support or not. I mean, you could be dealing with a company which is a high-investment-grade organisation - we wouldn't seek credit support in those circumstances. It very much is dependent on the actual customer that we that we are dealing with.

CHAIR - Last question.

Ms FINLAY - Do all the MIs have a bond?

Mr DANOS - Or a parent company guarantee, yes. Some form of financial support.

Ms FINLAY - But each of the four have something, so it's not -

Mr CHISHOLM - We only have three. We don't have Bell Bay. I don't want to go into details of the different forms of credit support that we've got. I mean, it rarely is that assessment.

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If we do deem that we need credit support to manage our exposure, there is a formula, but it's pretty much based on the exposure we have.

Typically, we bill customers one month in arrears, so by the time we issue the bill, we've already incurred that month of costs. It can be up to between 14 and 28 days to pay, so by the time - you know, if it's a 14-day and we get to that point and somebody doesn't pay, we've already incurred 1.5 months' worth of cost, but then contractual requirements around default notices, et cetera. So, it can be quite a substantial amount of money, as the minister said, and that's pretty much the basis of the formula. It purely is a 'how much exposure'.

Ms FINLAY - How often are default notices having to be issued?

CHAIR - Ms Finlay, we will move on so we will get everybody else to have a chance.

Ms FINLAY - Would you mind if I just ask that last question? Because that concludes that set of questioning.

CHAIR - You know, you seem to dominate questions, but go right ahead.

Ms FINLAY - Well, I'm only asking questions to your chairing. Is there default notices offered often?

Mr CHISHOLM - No.

Ms FINLAY - Thank you.

Mr BAYLEY - Just one last one, sorry, on the retention program - I think that's what we're calling it. Given there's no OTTER or State Growth or ministerial kind of oversight or approval, I'm interested in what safeguards there are within the program to ensure that effectively taxpayer money isn't being used to cross-subsidise and benefit some customers over others. How do you actually regulate this internally?

Mr CLARK - As was alluded to, there is a framework around various programs so that there would be no cross-subsidisation. What you might get into is - I will give a hypothetical. You might have a chain store of shops, for instance. We will be competing with another active retailer or retailers in the market. We will assess the profitability of that cohort of customers, and the decision around where you may be allowed to go in treatments would be dictated by that profitability.

We're talking about, in these cases, people that are not on regulated tariffs. They are, on their own merits, assessed as to where one might position your final price and ultimately that's the mechanisms, and this applies for a lot of our customer base in the C&I market and in the mid-tier market that are typically not regulated Stoff prices.

Mr BAYLEY - But they could be a residential customer on various tariffs as well, couldn't they? Whom have signalled an intention to disconnect and join another provider that would then be contacted by -

Mr CLARK - I think, as Will alluded to before, and as I explained previously, we are not into mass discounting of residential customers on soft tariffs otherwise would we would

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sink Aurora financially. So, we do things like Power Hours to try and encourage them onto different tariff structures, pay-on-time discount, so there would be various things that we would work with the consumer on to try and lower their energy cost.

Mr BARBOUR - If I can add a little bit to that, just picking up on your words there 'signalled they might leave us.' So, that's actually a really important point because some of these customers, if we do not have a communications consent to send them material that isn't part of a basic service message that we send or a bill that we send really infrequently, sometimes that's the first point of contact outside of a bill that we have had with this customer in years and years and years.

A lot of the time, the value that you can return to that customer is just on the basis of a basic service conversation because this event is being triggered. We do a quick analysis of their last 12 months of intermeter data, 92 per cent, we've got good access to that now. Some of these customers can save hundreds of dollars just for the tariff change and then you talk them through things like getting access to the direct debit discount and how to use Power Hours or the solar.

It's not only about dangling a carrot. Sometimes it's just about the fact you've had a point of engagement that we could not have otherwise and that can be a really positive customer experience that brings the bill down in a material fashion as well.

Mr BAYLEY - Is that the same 10 to 15 people that are in the Yes Program that sort of manage those conversations or is a completely separate bunch of people?

Mr BARBOUR - Yes.

Mr BAYLEY - One last question, if I may; can you just talk us through gas use this year? It looks pretty stable in terms of residential and other users, I am just interested in if there are any trends there and what do you expect to happen into the future? Obviously, it was a major generator through the Tamar Valley Power Station this year, that's separate to you, you don't supply gas to Hydro? No. Can you just tell us how it is for the residential and business customers?

Mr CLARK - Look, our gas usage is very small We pulled out of large industrial users many, many years ago so our customer numbers are pretty much flat from last year, slightly up.

Mr BAYLEY - Have you dropped all promotion to try to recruit people to connect?

Mr CLARK - We don't do any visible promotion, but we do have reward. Like, if someone has a dual fuel, there is a potential market contract that they can go on to with dual fuel, but we do not specifically promote gas in a heavy way at all. Where we see the future going is, with the advent of CER resources coming in, step 1 was our information portal as you have heard about today. What we would hope to be doing in the future is bringing propositions to customers that can help them electrify their home and come off gas, but obviously we do not have an open chequebook to be able to facilitate that, so we need to work with partners, potentially with government, on means of how we can help electrify off-gas usage, but it will be a slow burn because of the cost involved. There's quite a bit to it.

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Prof RAZAY - Since Aurora moved to use digital technology in delivering bills through emails or phones rather than mail there has been significant saving I expect. How much has been saved and do you transfer some of the saving to customers? Because I think they should get some reward for that.

Mr CLARK - You're correct. There has been a great take up of digital application in trying to get out of paper. We still have paper, but for those that want it, we are obliged to deliver. Our regulated cost is built up from a cost stack build up. So, as we reduce our costs in things like getting off paper bills onto electronic, then that cost stack build up reflects our cost structure. So, if that cost has been coming down then that would be reflected, so ultimately the tariffs that are set for Tasmanians do reflect cost decreases in the likes of what you are referring to.

Prof RAZAY - Thank you.

CHAIR - And there's nothing taken on notice or anything, nothing to be taken?

Mr DUIGAN - That is a good question. Do we have any?

Mr CLARK - I don't think there was.

Ms FINLAY - You came back with all the answers.

Mr SHELTON - Everything's been answered.

Mr DUIGAN - Everything has been answered.

CHAIR - Very good, because time is about to expire, really. It has expired. Thank you everybody. The time has now expired and I appreciate everybody's attendance and participation.

The committee suspended from 4.00 p.m. to 4.05 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Hydro Tasmania

Tuesday 25 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Verney
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Craig Garland
Ms Janie Finlay
Mr Mark Shelton
Prof George Razay

WITNESSES IN ATTENDANCE

Hon. Nick Duigan MP, Minister for Business, Industry and Resources

Rachel Watson
CEO, Hydro Tasmania

Richard Bolt
Chair, Hydro Tasmania

Mr Peters

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Hydro Tasmania

CHAIR - The scrutiny of Hydro Tasmania will now begin. I welcome the minister and staff of Hydro Tasmania and chair, along with the others at the table. The time for scrutiny is two-and-a-half hours; we're on the home straight. Members would be familiar with the practice of seeking additional information, which must be agreed to be taken by the minister or the chair of the board, and the question is handed in writing to the secretary, Scott Hennessy. I invite the minister to introduce any other persons at the table, including names and positions, and I also invite you, minister Duigan to make an opening statement.

Mr DUIGAN - Thank you, chair. With me at the table, can I introduce Mr Richard Bolt, chair of Hydro Tasmania; Ms Rachel Watson, the CEO of Hydro Tas; Mr Tim Peters, the CFO; and to my left is Amanda Lovell, my chief of staff. It's great to be here to round out energy business scrutiny with Hydro Tas, obviously a vital cog in the Tasmanian community's affordable renewable energy platform.

I would thank again, the board, the staff, the executive and all of the people who come together to make up Hydro Tasmania, a company of which Tasmanians are rightfully very proud, for all the work they have done over the course of the past year to manage what has been a difficult not only a year, but a but a series of years. The last two years are the driest on record. For a company whose business model is predicated on rainfall, that is a challenge. I'm very pleased to say that despite these challenges, Hydro Tasmania prudently managed storage levels within the energy security risk response framework over the entire period, and this demonstrates the very strong water management by Hydro Tasmania, in line with its requirements under the charter to deliver safe, secure and reliable power to Tasmanians, as it has done so for nearly a century.

Of course, we're looking toward the future and Hydro Tasmania continues to invest in its existing assets, investing \$284 million into its capital works program across 2024-25 to modernise, maintain and upgrade existing infrastructure. Significant progress was made on major works at Poatina, Gordon, Murchison Dam and the Bass Strait islands. Additionally, work continues on major projects, with Tarraleah progressing to the gate 3 assessment involving a request for proposal to seek market-based costings. This, of course, gives government and Hydro the best information to determine whether the project stacks up and is in the best interests of Tasmania, as we progress through these gates towards FID.

In line with its updated charter, Hydro Tasmania continues to take action to support new generation in the state, and to provide the lowest possible power prices for Tasmanians. We've strengthened this requirement on Hydro through our 2025 election commitment, requiring it to partner with new variable renewable energy generators to bring on at least 500 megawatts of new generation in Tasmania by 2030. In line with this expectation, Hydro have finalised a market engagement approach that clearly sets out the principles and processes to explore contracting opportunities with the business. This seeks to identify suitable projects capable of entering commercial PPAs in a consistent and equitable approach. With all of that said, again, I thank Hydro for their work through a challenging year and invite the chair to make some opening remarks.

Mr BOLT - Thank you, minister and thanks Chair and committee. I appreciate the opportunity to be here, it's my way of expressing - to supplement what the minister has said - the year that we've had is that it was a year of substantial challenge but also good progress. The

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progress included beginning the contract for wind and solar; recontracting with Liberty Bell Bay, it's had other travails, but we've managed to do that before they set in; refurbishing our assets, as the minister outlined; developing major projects as crucial options for the future; and generally acting in accordance with our charter, to position Hydro for a future of growth and firming, and to get the balance right between profitability on the one hand and at the same time stimulating the state in an economic sense, or helping to do so, and acquitting our social and environmental responsibilities.

What were the challenges? Again, to briefly reiterate, a second year of very low inflows, moderate prices in Victoria, and an adverse draft decision on Basslink which meant that we had to be more cautious than otherwise we would have been in the lead up to it going merchant for a year. We managed to reverse that decision, for which we're grateful to the AR, but it did mean that we have a year that we're in now that we had to prepare for last year that affected our results. It meant that prudent storage management was required, more conservative than normal, through high imports, some use of gas-fired power that was necessary to maintain minimum dam levels.

It meant moderate revenues and low profit but it was not a new normal. It was certainly a combination of circumstances and somewhat analogous to the last time that we had a significant profit dive, when there was both a substantial drought and outage of Basslink. It was very well managed by the organisation. A bad result doesn't mean bad management; it was very good management through a difficult period and for that I reiterate the minister's thanks to the board, which went through a significant transition, and the management did a sterling job. I particularly welcome and appreciate Rachel's accession to the role of CEO, and all of that was handled very smoothly by the organisation. My last point would be to look past 2024-25. I know that's the subject of this session, Chair, but just to say we will continue to adapt and prepare for a changing future.

We have more interconnection, fewer imports, variable inflows, additional hydro, wind and solar capacity. It's going to be a very different system. We have a different role in it, just as pivotal, but different. I should also say that this year, 2025-26, will also be a subdued year financially, and why is that so? It's because Basslink is constrained. It's really under what you would call a partial economic outage, which is the analogy to 2015-16 where there were both low inflows and an outage of Basslink. Here, we've had over a longer period low inflows and a partial economic outage of Basslink, and it means that, combined with a difficult start to this year, this will not be a stellar year financially; but again, it's a sign of the organisation adaptively moving through some difficult challenges and looking forward to better future. Thank you very much.

CHAIR - Thank you very much.

Ms FINLAY - Starting where you finished off then, through you, minister: in terms of the challenging years that you've had and a subdued year likely this year, what does your forecast indicate is possible or likely to happen this year, and what does the modelling say for three to five years ahead? Given there's a complex range of inputs and pressures, where is the organisation sitting now and into these sort of future immediate years, given three to five years is short-term.

Mr BOLT - The first thing to say is that every year we set ourselves a budget for financial results. And I presume, Ms Finlay, you're talking about this year's results specifically?

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Ms FINLAY - Yes, your reference to subdued was this year?

Mr BOLT - Correct, that's right. When we do that, we have to choose a single number which necessarily has a wide range around it, and if you look at recent results, we've had a lot of very good years, but a significant amount of variability. I wouldn't want to hazard too precise a guess as to where the issue will finish up, because quite a lot could change between now and the end of June. As for specific figures that we're able to talk about in our corporate planning, I think I would defer to the CEO or to Tim.

Ms WATSON - I might start and then let Tim continue. Two of the factors that will really influence our result this year are: how much can we generate, which is very much driven by the amount of yield we have, so, the amount of water flowing into our catchments that we're then able to generate from, and how effectively are we able to trade over Basslink. We started July and August with two quite dry months and we didn't hit our generation targets for those two months. Fortunately, we've had high rainfall since then, sustained right through November which has been beneficial because having it over a longer period of time means we're going to get more in the catchments than if we had one massive rain event where you end up losing a lot of it.

In terms of our ability to generate, it looks like we've turned the corner for this year because we've now got really good water storage levels as I think Richard alluded to, but then on the back of that, being able to trade and, as Richard said, there's effectively a limitation on that trading now that there's a toll imposed on Basslink, which is just a situation we expect to be happening in this financial year. We expect that that will go to being regulated in the next financial year, which will mean it will flow freely and so that's also why we are forecasting, and from the outset, we budgeted to have a lower-than-normal performance in this financial year.

Mr PETERS - I think the 2025 financial year was marked by continued and compounding dry conditions. In particular, January to June 2025 recorded the lowest inflows for that time of year in Hydro Tasmania's full historical inflow. The 2025 financial year was the second consecutive year of below average rainfall, so combined 2024 financial year and 2025 are the lowest two-year totals that Hydro has recorded. Storages were under heightened monitoring, limiting generational flexibility, so they all combined for a 2025 financial year that was tough financially.

I think, leaning forward, we do have short-term, medium-term and longer-term models. The benefit that we have at the moment is that our storages are probably at a 10-year high and what that gives us is a little bit of flexibility moving into the future. We can choose to generate. Ideally, if there's good prices, we will export as well, so it gives us some optionality which is really important to us moving forward.

Ms FINLAY - I'm deeply aware that you're not going to give specifics, but in terms of a band of a result for this year, given that you have already called it subdued and particularly interested in the sort of the years ahead, there's modelling available to you, and I am sure you have very sophisticated and very many people working on this always, what are you hoping within a band the results could be comparatively, say to 2025 for this year, given all of those circumstances?

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Mr DUIGAN - I think that's asking for a large degree of speculation and I don't think we're going to go down that road, with all due respect. On having a stab at what a result might look like, I think, as we said, we've got good water in storage -

Ms FINLAY - They would have a result though. They would be working towards a result, you would be working towards something that you have-

Mr DUIGAN - I think a description of 'likely subdued year,' given the nature of the year we are having, I think is probably as comfortable as we are likely to be. In terms of the short-term future post this financial year, correct me if I am wrong, but I think we would see every opportunity for Hydro to return to normal levels of profitability, assuming Basslink flows as we would expect it to flow should it be regulated, and inflows being within the normal -

Ms FINLAY - So, 2026 might be similar to 2025, but after that, you might return to pre-2024 levels; is that what the minister just said?

Mr DUIGAN - Look, that's what the minister just said, yes.

Mr BAYLEY - I think my question is to the chair. I was going to start somewhere else, but since we are talking about river flows and inflows and dry times, I want to ask a question around modelling going forward. This has been asked a fair bit, and I am unsure of where we have got to, but obviously the National Climate Risk Assessment has recently been released. Tasmania is up there, at the top of the list in terms of states with impacts.

In 2001, I think in relation to Basslink, there was a detailed river modelling survey undertaken and released publicly to underpin some of the projections going forward. Obviously, there's other users that rely on Hydro water post-generation, there's the environment, there's Tas Irrigation, there's TasWater, there's recreationists. Have you done that longer-term river flow modelling that sort of underpins the profit calculations that have then been used in Marinus and the like? Have you done that long-term river flow analysis and will you release it publicly?

Mr BOLT - I will defer to the CEO to answer that question in the detail, but just to be aware that because we do run a system that is clearly very climatically and weather dependent and because, as you have just outlined, we've got quite considerable responsibilities to all of those different stakeholder communities you mentioned, we do look forward, with as much fidelity as modelling allows you to at what kind of environment and what kind of river flows we might expect into the future and how that might affect our operations, including of course, those other responsibilities. The broad answer to your question is, we look at this very intensely and engage with the scientific community that can actually assist us with that. On the detail of that, let's go to Rachel.

Ms WATSON - Thank you, chair. Clearly, we work very closely with the experts in the field, the Bureau of Meteorology, CSIRO and University of Tasmania, to really understand those impacts on our business. We are experiencing greater variability in rainfall, but in terms of actual modelling and monitoring of the existing catchments - I think that's what your question was kind of going towards, is that right?

Mr BAYLEY - Look, my question is - and I think I read it in the annual report that we've had two dry years, but you expect it to return to normal. There are some major government

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decisions that have been made, based on financial projections that I will come to later, that Hydro has made about its profitability going forward. That all comes back to water, all comes back to inflows. Yes, you can trade better with a Marinus scenario and so forth but, at the end of the day, you need the water there.

The question is really clearly - of course I know you to talk to different people about things and you model these - is there a piece of work that models river flow inflows for the next, let's say 10, 20, 40 years that underpin your profit calculations, that have then been used by other decision-makers, including the minister, to make some pretty profound decisions on behalf of Tasmanians? Is there that piece of work, as there was for Basslink?

Mr BOLT - That's looking at the long-term trends, or the medium- to long-term trends in inflows: yes, we do have a good look at that. I'm not sure that Rachel can point to a single study, but it is a constant dialogue and analysis that does it clearly. We also look backwards to say, 'What's the trend been to date?' It's been pretty modest in average inflows. The actual decline has been modest in average inflows, and what we're expecting in broad terms is more variability than actual decline. From year-to-year more change on the average, not so much.

Mr BAYLEY - I guess the nub of the question is - is there a report, a piece of data you've commissioned, something that you are relying on that you can table, that you can share with the committee, with the public, to allow us to scrutinise the basis of some of those assumptions and projections?

Mr DUIGAN - If I may, at this point, I think your question is saying that if we don't get average rainfall over the forward period, then the assumptions that we've made in the Marinus business case don't stack up. That's not the case. Marinus -

Mr BAYLEY - My question is not that hard, minister. The question is, is there a report, is there a body of work upon which you have based your projections going forward? If so, can you -

Mr DUIGAN - There is decades work that has been done -

Mr BAYLEY - Projections.

Mr DUIGAN - by Hydro. Hydro studies the climate probably more than anybody else; this is a business that is, as I have said, reliant almost entirely on the rain that falls from the sky. However, I think it's an important point that the Project Marinus piece allows Hydro to better manage its storages and better manage the level of variability that we are projected to see. I wanted to make that point, because that's important in terms of why government would make a decision that it's made. In terms of a single piece of work, I'm happy for the business to answer that.

Mr BAYLEY - You acknowledge there was one done for Basslink?

Ms WATSON - Yes.

Mr BAYLEY - Have you done something similar? I don't know whether it's the same terms in terms of projections, but have you done a similar piece of work that could be tabled and released publicly for a look?

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Ms WATSON - Through the minister, if I may. The exercise that was done prior to Basslink was because the way we were going to operate the system when joining the National Electricity Market was going to fundamentally change. So, we did that study, and we realised there were two, I think - or three power stations - that could be most affected, so we changed the operating parameters for Gordon and Poatina. We even built a re-regulation pond for Poatina so that we could manage that difference in how the system would require the power stations to operate.

We're not joining a new system. This is a continuation with Marinus Link coming online of the same system. The modelling that was done for the whole-of-state business case assumed we would continue to operate inside those same operational parameters that were established when -

Mr BAYLEY - Can you release that modelling, I guess, is the question. You just said there was modelling done for the whole-of-state business case. Can you release it so we can have a look at the assumptions you've made in terms of river inflows?

Mr DUIGAN - Certainly, the whole-of-state business case is available.

Mr BAYLEY - That doesn't have modelling of river flows in it, minister.

Ms WATSON - My understanding is that the inputs in that modelling came from a variety of sources, several of them confidential. It was Treasury's model, as I understand it, so I'm not in a position to -

Mr BOLT - It's a body of work, I think as the minister indicated, that we're talking about here. Therefore, even if there was no confidentiality restriction - I'm not aware of what that situation is - it's not possible to say, 'Here's a single piece of modelling that answers all the questions you've just raised.' It's a body of work, and we're better off explaining that to you here to give you some sense of the overview, I think, in illuminating how we've gone about it.

Mr BAYLEY - You're explaining it in terms of a long-term piece of work. You talked to lots of different people, their input into your assumptions, but I guess that doesn't help a level of scrutiny and transparency around the business, and its assumptions going forward. We need to see them. With respect, we need to see them to see what assumptions you've made, compare them to someone else's climate modelling and rainfall projections and, I guess, make a case.

We have to remember that - we've heard already in the hearings this morning that Marinus and the North West Transmission Developments are going to increase transmission costs significantly for all customers in Tasmania. The only benefit, the only thing, that the minister can point to in terms of being able to offset that, is the super profits that Hydro is going to make.

Mr DUIGAN - That's not true. There is a number of benefits and a number of reasons why Tasmania would go down this path. The last two years have been very illuminating in that fact.

Mr BAYLEY - In terms of power prices, minister?

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Mr DUIGAN - Basslink is halfway through its service life. Typically, we would see these projects taking 15 years from inception to commissioning. Basslink has been online for 20 years, shelf life of 40, so we need to be thinking about this now. If Tasmania didn't have Basslink over the course of the past two years, potentially that's a challenging circumstance for us all.

Energy security is important. Using Hydro Tasmania's very valuable deep storages more strategically is very important. As an economic driver in the state, Marinus will be incredibly important. There is a number of things. What you're looking at is one piece of a very large pie.

Mr BAYLEY - In terms of power bill - but in terms of -

CHAIR - Mr Bayley, we will move on. It's half an hour into this session and we've only got to the second questioner.

Prof RAZAY - Honourable minister, we're probably fortunate in Tasmania that we have one of the cleanest energy supplies and that requires a balancing act between the growth of inflow in wetter years and the risk of low inflow in the drier years. What investment do we have to cover those drier years regarding other sources of energy? Solar, wind?

Mr DUIGAN - Thank you, Prof Razay. I will allow the chair to have a go, but I think what we've seen in recent times is a change in the Hydro Tasmania charter, and that is government asking Hydro to be more involved in bringing on generation in Tasmania. I think we're at a point where we would all agree that we could use a little bit more. I don't like to see that Tamar Valley Power Station fire up. As useful as it has been in the last couple of years, I think we can do better than that. Hydro is in the market providing the opportunity to partner with wind and solar generators, and we've seen that and we will see more of that. In terms of, energy security and investment, Marinus does that - happy for Richard to have his thoughts aired.

Mr BOLT - To elaborate on the point, we really have three pillars to our strategy of meeting future demand. One of those is to make sure that our current asset base is readied for that task. So we're going through an extended period of what you might call 'midlife refurbishments' that would make that possible, and in some cases, give us some incremental increases in output. We are, as the minister said, and have just released a request for wind and solar developers to make us proposals to contract with them, strike power purchase agreements that will actually add, not only to the state's output capacity, but also the diversity of its supply sources. That is going to be good for securing supply in Tasmania - potentially adding to the attractiveness of Tasmania as a place to develop new industries - but also to make some decent margins from exporting what surpluses we have to the mainland over increased interconnection. And, by the way, the increased interconnection also gives us some capacity to offset any downturn in supplies here with more diversified supplies on the mainland.

Then, of course, we are developing two major projects. I should emphasise they're not at the point of any commitment by the board, certainly not by the government. But at the moment they are looking attractive, subject to further evaluation of their costs and their value. They would also add additional capacity, both storage and actual output.

To the point about Tamar Valley, we run Tamar Valley with regret, but there are times it is ultimately an option of last resort to keep the state's supply secure. The more we do

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contracting with wind and solar, the more storage we can put in and the more we can get out of our current asset base, the less we will need to use that. That, indeed, is ultimately part of the strategy. In a sense, there are three main pillars to the strategy and one ultimate fall back.

I don't know if there's anything that we need to add to that reply. That's probably sufficient.

CHAIR - Before I move to Mr Garland, I am in receipt of the following correspondence from the Speaker:

Dear Chair,

In accordance with provisions of the resolution appointing the Government Business Scrutiny Committee, paragraph (3), I hereby nominate Mr Mark Shelton MP as a substantive member of the committee and substitute for Mr Marcus Vermeij for the remainder of the proceedings today.

Mr Rob Fairs MP is now resuming his position as substantive member and Deputy Chair of the committee.

The Honourable Jacquie Petrusma MP, Speaker.

Mr GARLAND - Hydro CEO, Rachel Watson, told ABC morning radio on 5 November that Marinus Link, if used really, really well, is going to be a big advantage for Hydro. Can you explain what 'really, really well' means?

Mr DUIGAN - Thank you, Mr Garland. Thank you, Rachel, I will allow you to - I notice our CEO has been paraphrased in a number of circumstances speaking on a number of things and I'm very pleased that she now has the opportunity to put some of those things in context.

Ms WATSON - Thank you for the question. At the moment, as we were just describing in relation to our operation this year and last year, the importance of trading over the link is key for Hydro's profitability, and so using Marinus 'really, really well' will mean having it flowing often.

At the moment, Basslink is not flowing nearly as much as it has in previous years. Prior to this year, it would only not be flowing 2 per cent of the time, but this year since 1 July, it has not been flowing 44 per cent of the time, so that is not a good use of Basslink.

Using Marinus's 'really, really well' will mean we're able to take advantage of low-price power in Victoria, which will typically come from high periods of solar generation in Victoria when they have a surplus and that drives the price down. It becomes very cheap or sometimes we're even paid to take that power into Tasmania. Then, at other times when there's an opportunity to sell our clean energy back over the link into Victoria when they need it, the prices will be higher and we will actually get good-priced revenue for that energy, which just makes the flexibility of the Hydro assets in Tasmania so much more valuable.

Using Marinus really well means using it for that trading advantage. It also means that when we do go through a dry patch - as we have the last couple of years - that we've got an opportunity to conserve our water, make sure we're managing our water storages very

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prudently, and draw energy from another source to maintain energy security in Tasmania. Those two things are really important.

Mr GARLAND - You also told *Renew Economy* earlier this month when speaking about Marinus Link: 'forget making money off it, it'll be there to provide energy security'. This is not consistent with how Marinus Link has been framed in the whole-of-state business case. Can you explain your comments to *Renew Economy*?

Ms WATSON - That comment was made in the context of a conversation around the very dry conditions that we've had in Tasmania. I made the comment about profit being less important in those situations because Marinus can also then help us with our energy security. As I just explained, the second part of using Marinus really well also means it's there for energy security. Sometimes what's missed by some people in the Marinus debate is that that's an important part of the role Marinus will play: it will help us through these periods.

As Richard was just describing, we're expecting greater variability in our inflows. We expect there will be years when we're plentifully supplied with water, but we're also expecting there may be years as we've just experienced where we have less water, and for that, we will need to be careful with the water we have. Having that opportunity to back up through a larger link will be very important. Some days will trump the importance of making profit, not every day, not most days, but in those situations where energy security really comes to the fore, then that is the role that Marinus Link will play for us.

Mr SHELTON - Minister, Hydro was the largest water manager in Australia and operates 30 hydropower stations across Tasmania with many forming part of a complex cascading system. I pay tribute to those men and women of the 1930s, 1940s, 1950s, and 1960s who built the system. I particularly love the diagram. We talk about cascading systems, that has the diagram or map or whatever it is where you have the highest lakes and all the water cascading down through, marvellous. You take your hat off to those people who designed it back then and brought it to fruition.

With such an intricate system to manage in an increasingly complicated electricity system, what is the Hydro doing in order to make sure their operating systems continue to deliver safe and reliable power?

Mr DUIGAN - It's a good question. To think that those assets that were built so long ago, continue to serve us well now not only is Hydro Australia's largest water manager, it is Australia's largest generator of renewable energy. There is a great deal of work happening in the business to keep it all fit for purpose, as it were. Chair, perhaps one for you.

Mr BOLT - The CEO is very well placed to answer this question. Over to Rachel, please.

Ms WATSON - I'm thrilled that you remember that flow diagram because it's a key part of what I've been trying to learn in this role as well. It does represent what a complicated job it is in managing the water system. We manage over 13,500 gegalitres, which is more than 27 Sydney Harbours across 30 hydropower stations and 54 dams that requires some real sophistication in our tools. The majority of our power stations are operated remotely by a team of highly skilled generator controllers in Hobart. They work 24/7, 365 in close collaboration with our teams on the ground responding to minute-by-minute changes in demand, weather,

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the market. So this whole operation is managed through our generation management system, which is kind of the brain of the system.

We recently completed a major \$18 million upgrade of that generation management system that's been years in the making, but it replaced a system that was 25 years old. A push through into a more innovative technology, it allows us to be more responsive, which is crucial as we transition our role in the new energy future where we will play that role of filling gaps in wind and solar generation. We have now transitioned our power stations to the new generation management system. That's part of our 10-year \$1.6 billion program of capital works that we're embarking on at the moment to modernise our network and takes us into a new era for greater efficiency, scalability and capability across our network.

Ms FINLAY - Since the new Ministerial Charter in your introduction, I noted that you used the word 'generally', that you're 'generally' aligned with the direction of the charter. I'm interested in where you're not aligned. I'm interested in some concrete examples of what you have done to change the operations of Hydro to more closely align to the new direction, which is about that economic stimulus locally.

Mr DUIGAN - I can say things about it. What I would say is, I have found Hydro - since that change in the charter - I have been so pleased with the level of engagement and change that we've had and the way the business has responded. With that said, I pass to Richard.

Ms FINLAY - You get the benefit of those conversations that this is the benefit that we get. I would love to also feel that way and through concrete examples would be great.

Mr BOLT - We take very seriously the fact that Hydro underpins so much of the state's economic activity. You're on the record making that point and we certainly agree with it.

As far as the concrete examples you're seeking go, in the financial year we're looking at here, we contracted for the first time in some time, in fact the first time ever, with a solar farm, Northern Midland Solar Farm. On the supply side of this portfolio, of supply and demand that we're at the heart of, that was a significant step, and very consistent with the charter, and the first concrete example as you are seeking of how that charter was given expression.

Up until then, it was not as though Hydro was necessarily not wanting to do those things. It was somewhat constrained in its own thinking by the strictures of competition law or the possible strictures. We've worked through all those things. The government's made its intentions for us very clear. As a result, we've done something which I think is to the benefit of the state and is definitely, if you like, a new frontier. Now, out of this financial year, that's been supplemented by the tender I just referred to earlier that has been released for additional capacity, and a framework which explains how we're going to go about this, not forcing wind and solar developers to contract through us, but it is an option they have that ought to be to the benefit of the state's economy and, of course, to jobs.

When it comes to the demand side, again, very specifically, we've been contracting with major industries for a long time, as you're well aware. Some of those contracts have come due and we have interpreted the charter to say that, while we have to act commercially, we're not in a position, under the charter or indeed our more general legal frameworks we operate in, to simply offer loss-making contracts to the major industries. We price with reference to the fact that on the one hand we do need to meet government's expectations of our commercial

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performance. On the other hand, we have to have an eye to the fact that there are jobs at stake in the pricing that we offer to major industries, particularly those that exist now, but also future ones that could be beneficial to the state. I use the word 'generally' that you quoted before. I'm not thinking of any example where we haven't done that. That was just a little florid speech.

Ms FINLAY - It was interesting to hear that, so I had to ask the question. The Northern Midland Solar Farm is an example - or the example on that side of the equation?

Mr BOLT - Yes.

Ms FINLAY - Seeking concrete examples, your work towards your 200 per cent TRET, how are you advancing towards that? I note this tender that has just opened and it's for 'an' engagement. How limited are you to those engagements? How much do you rely on these to be successful to meet those targets? How advanced are you towards those percentages?

Mr DUIGAN - I point to the 2025 election commitment, which would ask Hydro to contract for 500 megawatts, a further 500 megawatts over and above Northern Midland Solar, so we're getting towards some fairly substantial numbers there.

In terms of delivering interim TRET targets, that will be a really important part of the puzzle. There are other mechanisms which do exist in the market, most notably the Commonwealth's Capacity Investment Scheme, which we have pleasingly seen one Tasmanian project be selected for, so that's positive. We continue to bang that drum with our federal colleagues and ask, thank you for the program but we need projects in it to get up. Certainly, Hydro being more active in that space has had a fairly profound effect on a lot of those proponents, the bankability of their projects, and their attractiveness to the CIS program. Of course, there is ongoing work about what the next iteration of that might look like. I'm pretty comfortable we've got a very good pipeline of projects that are -

Ms FINLAY - So, you feel like you will meet that mid-target?

Mr DUIGAN - I think it will be tight, but we've a good pipeline of good projects. I think how quickly the next Commonwealth iteration can be deliverable will probably impact that 2030 target. Again, it's Hydro that's been the catalyst for getting this moving.

Ms FINLAY - Given the scale of the Northern Midlands project, and you mentioned that your election commitment was about 500, and as I understand it, this announcement was for a project that could be up to 1500 gigawatt hours is that right? Or 1.5 - I'm going this way. Would it be possible within the envelope you've been granted to support more than one project?

Ms WATSON - I'm not sure about the 1500 number you're referring to. Is it gigawatt hours?

Ms FINLAY - Maybe I can ask a clarifying question. Is there an upper limit of a project that you're willing to engage with on this? Are you limited by the scale that you can enter into?

Ms WATSON - We know the size of the projects that are already in the pipeline. I think the 1500 number you might have mentioned is gigawatt hours.

Ms FINLAY - Yes, sorry.

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Ms WATSON - Not megawatts of capacity. I don't think there is a project that's going to be in the near-term pipeline that we would be looking at that would be of that scale. The intent is that we can try to find a project that will deliver us 300 megawatts.

If I might add to your answer as well, minister, we also have our own new major project that we would like to bring forward: refurbishing Tarraleah and increasing its megawatt capacity.

Ms FINLAY - Out of interest, at scrutiny last week, there was an engagement that I misunderstood. I thought Tarraleah had been paused, but it's actually come back online in terms of a project. There was a question last week - which I'm not sure that we got the answer to - which was, what was the material impact of the pause to that project given the delay? Is there an answer that you're able to provide? I know the answer was given that until we finished the project at the end, we can't tell how different it is, but there must be an understanding of the impact of that.

Mr DUIGAN - In terms of pauses and so on, my understanding is that there was a piece of work that Treasury was undertaking -

Ms FINLAY - That was the big global response. To the business of Hydro, what was the impact?

Mr DUIGAN - Thank you.

Mr BOLT - Yes, we can answer that.

Ms FINLAY - Thank you.

Mr BOLT - Certainly, there has been a delay simply to allow decision-making time; there's not much in it than that, and we have to respect that reality. When you're making large decisions that have a lot of cost risk and potential upside to them, we can't necessarily expect these things to be ticked off at a moment's notice, and there was a lot going through the system at that time.

What I've got here, which I'm happy to speak to, is the cost of the delay was \$10 million to \$16 million of expenditure pre- a final investment decision, assuming there is one, and that of course is 'on the can' so to speak. That's due to the additional eight months of work prior to the release of the request for proposal, which we're now close to being able to do. And the fact that 'do it later' means inflation and escalation will add an estimated \$40 million to \$60 million of construction costs post-FID. Part of that, of course, is simply because time has passed. So, that's essentially it.

Ms FINLAY - Thank you. A comment, I suppose, on that. The interrogation in these questions comes often from, not from a misunderstanding, but a lack of understanding that when things are paused or when things are reactivated, it is actually useful to communicate that more broadly, because there are all sorts of conversations going around. Marinus was just supported, then there was a pause on capital works for Hydro for three years, and there was a pause on Tarraleah. All these things get mixed up in the message and then that adds to concern in terms of 'Well, what is the benefit of Marinus, and why are we supporting that and we're stopping this?' Clear communication about that in those moments can be useful.

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Mr BAYLEY - Chair, I am keen to go around the river modelling one more time, because it is a really important issue. I ask again, is there anything you are prepared to release that underpins and justifies your profit projections? The figure of \$470 million is talked about in terms of additional profitability for Hydro that could be injected into the government to offset the increased transmission costs that are acknowledged.

With respect, CEO, in your previous answer, you said, 'Oh, things aren't that much different to Basslink. We're still going to trade across an interconnector'. But you said yourself just before that Basslink isn't flowing well, Basslink has a partial economic outage - whatever that means, I assume that means it's not very efficient. You are going to be trading on a significantly more complex and dedicated level than you have been, and they are huge assumptions.

So, I ask again, when it comes to either the river modelling, or the financial modelling, or preferably both - is there anything you are prepared to release that people can scrutinise and see that your profit projections - \$470 million going forward, the reason that we won't theoretically have increased power prices is because of your profitability.

Is there anything you can release, or you're prepared to release to give us the ability to scrutinise and give us the confidence that your projections are underpinned by sound, scientific meteorological modelling? That's to the chair, I'm sorry, minister.

Mr DUIGAN - Well, with respect, all questions go through the minister -

Mr BAYLEY - Well, no they don't. The Chair is here.

Mr DUIGAN - as I understand it. I think the questions go through the minister. I would point to the work that has been done and there is a great body of work -

Mr BAYLEY - I guess that's my question: where is it?

Mr DUIGAN - Well, you know, there is a whole-of-state business case. There is -

Mr BAYLEY - That's not what I'm asking for, I'm asking for the river-flow modelling.

Mr DUIGAN - there is a FID assessment document, there is all of those things which are all publicly accessible, apart from certain commercial aspects of them.

Mr BAYLEY - Chair, can I clarify - can I put that question to the chair?

CHAIR - Yes, you can.

Mr BAYLEY - I understand that I can?

CHAIR - My apologies, I just get confused with these GBEs versus other committees; but it can go directly to the chair.

Mr BAYLEY - Thank you, Chair. I don't want to hear from the minister in relation to this, I've heard a lot from him about it. Chair, you have -

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Mr DUIGAN - Well, with respect -

Mr BAYLEY - you are giving the profit projections to government - \$470 million going forward. We've heard from the CEO that there's ongoing and iterative and plenty of engagement from a scientific perspective that underpins the river-flow modelling. We've heard how critically important river-flow modellings are to profitability already, that's why you are not returning a dividend this year.

Mr SHELTON - Point of Order, Chair.

Mr BAYLEY - What can you provide?

Mr SHELTON - Point of Order.

CHAIR - Sorry, Mr Bayley.

Mr SHELTON - If we're sticking straight to the rules, then we're here to scrutinise the financial year performance of the GBEs, not talk about the future of GBEs -

Mr BAYLEY - Serious?

Mr SHELTON - So, if we're sticking to that -

CHAIR - I don't think -

Mr BAYLEY - Are you serious? We're not allowed to talk about the future?

CHAIR - Sorry, I don't think it's really -

Mr SHELTON - Of course, a decision will be put to the minister, but it's not fair to policy decisions to offices.

Mr BAYLEY - I'm asking for scientific modelling.

CHAIR - I think there's been a lot of leeway with these committees, in all sorts of things. I know you stick to your questions - specific questions, but -

Mr SHELTON - Not everybody does.

CHAIR - We will continue with Mr Bayley's line of questioning.

Mr BAYLEY - Is there anything you are willing to release that can be scrutinised, that demonstrates the level of inflows that you pin profitability on?

Mr DUIGAN - Again, as I would say -

Mr BAYLEY - Minister, I put the question to the chair.

Mr DUIGAN - No, no, let me say, that profitability is not pinned to inflows, and that's an important distinction.

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Mr BAYLEY - It was this year and last.

Mr DUIGAN - No, there are two things that underline Hydro's profitability: one is rainfall yield, and the second is the ability to trade.

Mr BAYLEY - Okay. I will ask again: is there anything in the rainfall inflow modelling that you are prepared to release?

Mr BOLT - I think that it's quite possible for us to summarise the body of work and its broad conclusions, simply for the sake of transparency. I'm sitting here thinking that we'd be quite prepared to do that if that was useful. I'm not sure it's how we're going to illuminate in any kind of very direct way what the profit results of that are going to be, simply because there are so many determinants of those profits. Those include the amount of wind and solar that's installed here and installed in Victoria, how quickly coal exits in Victoria, whether Marinus II proceeds - there are so many aspects to this that you simply will not find a line of sight between a report which summarises our river-flow modelling and the profitability, which as you would have seen from the whole-of-state business case is also very, necessarily subject to a lot of variation.

Mr BAYLEY - Of course. I am asking for the river-flow modelling. People can extrapolate from that, and you obviously have, and there's a separate question about whether you will publicly release your financial modelling that gets you to the \$470 million. Coming back again to the river-flow modelling, does it exist -

Mr BOLT - On that point, Mr Bayley, I think that that's the whole-of-state business case conclusion. I think that's been released to the extent that it's going to be. When it comes to releasing the summary of this body of work - and I'm not trying to evade your question - but it is a body of work done over many years. I think what we should do is go away and ask ourselves what we can do that would actually assist the understanding of that.

Mr BAYLEY - If there is not a body of work already, then that would be better than nothing.

Mr BOLT - There is for internal purposes, but of course -

Mr BAYLEY - But nothing that's public.

CHAIR - Mr Bayley, I understand that this is important, but we also have other people at this committee. I will go to Mr Garland in a moment, but I will just read point 3 in answer to your question, Mr Shelton, or your point of order.

A committee may ask for explanations relating to the activities, performance, practices, and economic management of the government business.

Mr GARLAND - Minister, the whole-of-state business case identifies a future policy challenge arising from Marinus Link proceeding. That is, the financial implications for major industrials and power price contract terms. Has Marinus Link meant Hydro will need to increase the power price it is offering to major industrials to account for the lost opportunity to trade electricity into the NEM?

Mr DUIGAN - Sorry, could you give me that last bit again?

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Mr GARLAND - Has Marinus Link meant Hydro will need to increase the power price they are offering to major industrials to account for the lost opportunity to trade electricity into the NEM?

Mr DUIGAN - No. Hydro contracts with our major industrials for an extended period of time, typically 10 years. I think the answer to that question is, 'No.'

Mr GARLAND - Talking about flows. We've been experiencing a downward trend in rainfall since 1970, and it's only accelerated since the 1990s. According to the whole-of-state business case, the assumption was one dry year every decade. Now we've just been through two dry years. Is that the assumption that was used in the water inflow modelling?

Mr DUIGAN - I'm happy to have Rachel have a swing at that. We have had two dry years, no question about that. No risk, right or wrong. I think it's interesting in the context. I think in the last 10, six have been above and four have been below, or something like that. Rachel can provide that level of detail. These are dry years. We have wet years. Rachel, for the detail to your question.

Ms WATSON - Thank you. I think what you were referring to just then, minister, was the last 15 years: eight were above average, seven were below average. We do look at long-term averages. Our annual expected yield for this year, for example, is closer to the 9GW hours that is kind of our long-term average versus last year, when it was only 6600. Our long-term view at the moment is that we expect a decline of about 17GW hours per year. Out of the 9000 that would be typical, over the long term, we see that coming down by 17; that, we expect, though, would stabilise after 2050 under an intermediate emission scenario. Once global emissions start to stabilise, we expect to see climate change also stabilising. That's the extent of it.

Prof RAZAY - Honourable minister, dams do age and that is associated with increased risk. What strategy do we have to strengthen these dams and what's the possibility about increasing capacity at the same time?

Mr DUIGAN - Thank you, Professor Razay. I'm happy for the business to take that one on, noting that there is work going on at dams as we speak.

Mr BOLT - Dam safety is a very high priority for an organisation that has, I think, 54 major dams, though I stand to be corrected by the CEO in that figure. We look at it in great detail and have an active program of evaluating the level of risk associated with those dams, not only due to aging but to due to other factors including climate change and the impact they can have on dam levels. We have dams that are under an active program of refurbishment and strengthening where that's required. So yes, it's a very high priority for us for obvious public safety reasons, but also for our operational reasons.

As to whether or not there's much capacity to increase our storage levels, I think the answer to that is not a great deal, but on that, again what I will ask is for Rachel to confirm or correct.

Ms WATSON - So dam status, you're right, is not static. It does kind of change over time, partly to do with actual impacts of wear and tear on the dam, but also partly to do with changing standards as we understand better what constitutes good dam safety practices. So they are very clear, benchmarked external standards that we are looking to. We do a biannual dam

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safety review to make sure that we are checking all those 54 major dams' conditions. From those reviews, we prioritise various dams for major refurbishments, minor refurbishments, whatever is required to make sure we're maintaining that level of dam safety.

To the question of increasing storages: we're actively seeking at the moment - not making any changes to the infrastructure, but to increase the amount of water we've got stored in Lake Gordon, because we do see that as being very beneficial. The more water there is in the lake, actually the more power you can extract from the same amount of water because it's dropping from a higher height, it has more gravity force behind it; that generates more power. So we are actively trying to build the Gordon storage level at the moment within the parameters of the operating rules and the rainfall that we get and all those things. So we've still got some capacity we can access through our existing dams without needing to increase any of the sort of infrastructure on them, which I see as a positive.

Prof RAZAY - In the future is there capacity to increase the height of the dam?

Ms WATSON - That's not something we're actively looking at. I mean -

Prof RAZAY - I know, but you never know with the future.

Ms WATSON - I mean, for example, Gordon's storage level at the moment is 50-something per cent. So there's no immediate need for us to increase the capacity. That's our largest storage and Great Lake's at a similar level.

Mr BOLT - I think it was one case, and I struggle to remember the name of it, and the team will help us with this, where we have done so more for safety reasons due to assessments of the level of spill that could occur, but not really for major storage reasons. So the short answer is I'm sure technically there may be some potential, it's not something we've actively looked at, and there's no program for it.

Mr SHELTON - Before I start, Professor Razay and I have followed each other in questioning fairly well, so to that, I also implore him - whether he asks a question today or to get a briefing on Tarraleah, so not increasing storages but make the water that we have more efficient. So my question, a similar question; it's to do with the dams.

Minister, last November saw the 50th anniversary of the Gordon Dam, the tallest dam in the country and a true feat of engineering accomplishment. Now 50 years on, the Gordon Power Station is Tasmania's largest hydro station and a significant part of the hydro generation portfolio. Can you please outline what work Hydro Tasmania has undertaken in order to ensure this valuable asset continues to produce reliable energy for years to come?

Mr DUIGAN - One of the great privileges of being the Energy minister is getting in the cable car that goes down the face of the Gordon Dam. It's quite a ride. As you say, the Gordon Power Station opened in 1978, Tasmania's largest renewable power generator, and it's fascinating to go into the power station there, which is some 200 metres below ground, and to see the slots that are already there to take more hydro machines and have been there presumably since it was built. After 50 years of operation, it requires some upgrades and some maintenance work. It's fascinating to see. I was there on a day that they were balancing one of the big spinning wheels.

Mr SHELTON - Armatures.

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Mr DUIGAN - I don't know what it was, but the tolerances of it were extraordinary. I won't talk about my experiences any longer. It's an ongoing job of work to keep them up and going. Richard, Rachel, anything you'd like to say?

Mr BOLT - Through you, minister, yes, it's an extraordinary feat of engineering, Gordon, the entire system, as you were observing earlier. One of the most complex aspects of the upgrades for the project team is removal of the massive stator, which is the structure that the turbine spins within, the armature spins within. A total of 60 workers have been involved in carrying out the upgrades on site. They're housed at the Pedder Wilderness Lodge nearby, which has been renovated and expanded to accommodate the workforce.

To the minister's point earlier about the tolerances, the precision with which you need to both remove and then reinstall these, to the average person such as myself, it seems impossible that you can do that with such precision, but it's managed by a very skilled workforce. To that end, I certainly acknowledge the Entura and Hydro employees who have been involved with this project. The second turbine's refurbishment is expected to be completed over the next 12 months. It's important to recognise that we have a pretty remote system here, a lot of west coasters. They're well away from family and friends for the most part. People have to spend a lot of time away. We do our best through the management team to make their lives liveable and enjoyable, but nonetheless, there is separation involved and that's another reason to acknowledge their contribution.

It's part of a program of upgrades, which, as I said earlier, is accepting that we need to give another 50 years of life to a lot of machines across the state, of which this is only one example, and at the same time, be ready for the entire system to play a very different and more valued role from its already valuable role in energy transition that will affect the island, make Tasmania more viable and at the same time contribute to the stability and security of the NEM at large.

Ms FINLAY - Minister, the first question may be to colleagues, but the second and third to you on Basslink and a response provided earlier. In a normal year, it's about 2 per cent under full capacity, and I think you said it is operating either at 44 per cent or as a reduction of 44 per cent of its overall capacity. Is that a management decision by Basslink, or is it an efficiency decision? There's a question for learning.

Ms WATSON - Through you, minister: I will clarify those numbers I quoted before. In a normal year Basslink does not flow 2 per cent of the time, so it's inactive 2 per cent of the time; but at the moment it's been inactive 44 per cent of the time, so it's still flowing.

Ms FINLAY - Is that an efficiency or a management -

Ms WATSON - We would say Basslink not flowing is an inefficient result. It's far more efficient for Tasmania and Victoria if Basslink flows completely unrestricted, which is the way it was operating until this financial year -

Mr BAYLEY - Is that what you mean by partial economic outage?

Ms WATSON - Yes.

Mr DUIGAN - It's a decision of its own.

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Ms WATSON - That's right. The operator of Basslink this year is entitled to put a toll. It's gone from being a freeway with no charge to being a motorway that has a toll. So it only becomes worthwhile to actually buy or sell energy if the difference in price plus the toll is worthwhile.

Ms FINLAY - So, there are decisions being made about utilising it because of that, as well, as much as the decisions are being limited, or it's being limited by that toll price? Okay.

Mr DUIGAN - Yes, as APA bids it into the market.

Ms FINLAY - Thank you. My question now is to you - in a previous scrutiny I asked you about your policy position on shielding direct-connected customers from the increase in transmission, and there will be an increase in transmission from Basslink as a result of it becoming regulated. When it is regulated, at the moment there is a facility fee, is that what it's called?

Mr DUIGAN - Previously there had been a facility fee.

Ms FINLAY - Yes, there's a facility fee, and that no longer will exist. Have you had contemplation, or have you discussed together, whether that increase in transmission from this change of status with Basslink might be absorbed through the now-no-longer-needing-to-be-paid facility fee? I'm sort of bringing two questions together from two different scrutinies.

Mr DUIGAN - I mean, yes.

Ms FINLAY - You have considered that?

Mr DUIGAN - Well, it's sort of the obvious - previously Tasmania has paid for Basslink, all of Basslink, since Basslink has been a thing, and that has been paid for by Hydro Tasmania. Now, Victorian customers will pay for 75 per cent of Basslink. There will be - we're not entirely sure of the actual numbers, we're waiting for that to come through, but we would look at those things and, if required, make a policy decision.

Ms FINLAY - From the minister's answer - ring-fencing, that part of his conversation, have you put your minds to whether the balance of funds available after any policy decisions be just absorbed into - or not absorbed, but maintained in general revenue or operations? Or has there been a particular thought around how the financial benefit that you will now get - like, of payment, will be used in other ways, because it's not an insignificant amount of money.

Mr BOLT - Can I make a comment in passing that what we get for the facility fee includes access to the interregional residue, so to speak, which is a technical term for the price difference across the link multiplied by the amount of power flowing over it. We would have to bid for those, under regulations, so that will actually be a cost that is kind of in lieu of the facility fee. So it's not like it all goes straight to the bottom line. That would be my understanding of the situation, but Tim would be in a better position to explain.

Ms FINLAY - I'd appreciate it, thank you.

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Mr PETERS - Through the minister: I think any increase in Hydro profit that results from a reduction in the facility fee will obviously feed through into the Hydro profit at the bottom line. 90 per cent of that profit then returns to the government. What the government chooses to do with that 90 per cent dividend, whether it's schools, hospitals, roads, et cetera, that's up to the government. Has Hydro got a direct mechanism that it will subsidise for the North West Transmission? No, but the increase in profits will flow through to the government, and what the government chooses to do with the money is up to the government.

Ms FINLAY - If the contemplation within Hydro is that simple, but you gave a bit more colour to that, then, in terms of what other activities might require in that - but that question has been asked a lot in terms of, well, it seems like a simple thing to say that all of a sudden there's this availability - \$70 million to \$90 million is it, or something, on average a year, but one of the many things that you might be contemplating is around how parts of that could be used for those sorts of policy decisions?

Mr DUIGAN - Yes, I think there are policy discussions ongoing.

Mr BAYLEY - Minister, we just heard from Mr Garland about the transmission increases for major industrials. The Marinus whole-of-state business case is really clear, based on modelling undertaken by TasNetworks. Tasmanian electricity customers can expect to pay higher transmission network prices arising from the costs to build Marinus and the North West Transmission Developments. As you repeat, and as the whole-of-state business case says, these costs are found to be broadly offset by modelled lower wholesale electricity prices, compared to no Marinus.

The Tasmanian Treasury Marinus Link electricity market modelling that was attached to the whole-of-state business case and is really clear on page 20. It looks at Marinus Link stage 1 versus no Marinus Link and it is really clear: it says for Tasmania prices will go up \$40 a megawatt-hour, a 59 per cent increase relative to a no-Marinus Link progressive adjustment. How do you square that away? This is the modelling that you commissioned, that wholesale power prices will go up by 59 per cent, and yet you say the increased transmission costs will be offset by lower wholesale electricity prices. Where do you get your data and analysis from, if this is Treasury's report?

Mr DUIGAN - That is Treasury's report.

Mr BAYLEY - Have you got another report?

Mr DUIGAN - Well, certainly I've got my FID assessment report.

Mr BAYLEY - So you disagree with this analysis from Treasury and from Deloitte?

Mr DUIGAN - Again, I will let Treasury's report sit in Treasury's document, but we certainly have an FID assessment report that has guided our decision-making and how the government would make its decision. The whole-of-state business case, as I say, is an important document and all of that, but it is a Treasury piece of work, so I won't be unpicking it here.

Mr BAYLEY - But do you disagree with it? I mean, this is really clear, relative to no Marinus Link:

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Marinus Link scenario results in relatively higher Tasmanian prices, in line with Victorian price trends due to greater exposure to mainland NEM market dynamics from 2030 onwards. As a result, projected average prices are \$40 a megawatt higher in Tasmania over 2031 to 2050.

You fundamentally disagree with that?

Mr DUIGAN - Again, that's a Treasury document. I'm not the Treasurer. I won't speak to that document, but I will speak to our FID assessment document - all our modelling, which would say that prices in Tasmania are lower with Marinus than without.

Mr BAYLEY - So, putting aside the FID document, is there another piece of modelling that you have commissioned that informs that FID document that you can point to and release?

Mr DUIGAN - Again, I point to our FID assessment document which, at the time of making the decision, collates all the documents that relate to Project Marinus.

Mr BAYLEY - But you would have to agree, based on Treasury's evidence, your statements that it will lead to lower wholesale price is wrong?

Mr DUIGAN - I will point to that being a point in time of 2022-23 information that feeds that document and it says what it says. It's there for people to read and I encourage them to do so. But on the basis of what advice I've been given, a positive FID decision from TasNetworks, a positive FID decision from Marinus Link Pty Ltd -

Mr BAYLEY - Of course they are, they're not vested interests?

Mr DUIGAN - all of our government departments, from Treasury -

Mr BAYLEY - Have you got independent analysis?

Mr DUIGAN - Yes, there is I believe independent analysis but -

Mr BAYLEY - Who's that by?

Mr DUIGAN - this is GBE scrutiny -

Mr BAYLEY - Who's that independent analysis by?

Mr DUIGAN - That's a Treasury document; this is not the place for it.

Mr BAYLEY - Who is that independent analysis by? You just mentioned there is independent analysis that underpins your assumptions.

Mr DUIGAN - As I've said, there is a range of documents that support the government's decision and I'm -

Mr BAYLEY - So this is a Treasury document that basically undermines the foundational argument for Marinus -

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Mr DUIGAN - No, that's your words.

Mr BAYLEY - This is the Treasury's words - this is Deloitte's words from 2024, commissioned by the Tasmanian Treasury as a Marinus Link electricity market modelling document.

Mr DUIGAN - Again, Chair, I'm not sure how this line of questioning applies to Hydro Tasmania.

Mr BAYLEY - Well, it relates to Hydro Tasmania because they're going to be providing the energy into the market and, theoretically, \$470 million worth of super profits because of Marinus Link, but your own market modelling done by Deloitte says that actually prices will go up 59 per cent under a Marinus scenario versus a no-Marinus scenario. At the same time, you acknowledge that transmission costs are going to go up, but you're saying they're going to be offset by lower wholesale prices, which this analysis, Treasury's analysis, says is not true. You say there's going to be lower wholesale prices; this says there's going to be a 59 per cent increase.

Mr DUIGAN - What I would say is that prices in Tasmania will be lower with Marinus than without.

Mr BAYLEY - Even though Tasmanian Treasury's document and Deloitte's say that that's not the case.

CHAIR - Mr Bayley, we have to move on. Mr Garland.

Mr GARLAND - In the Hydro's annual report, it has claimed that Tasmania's demand for power is growing. You would acknowledge that Tasmania's consumption has fallen continuously over the past three years and is now at the same level it was back in 2012-13. Is there currently enough spare power in Tasmania for Boyer Mill to undergo an electric conversion?

Mr DUIGAN - Yes.

Mr GARLAND - There is? Easy.

Mr DUIGAN - Certainly, I point to other such conversations which are being had with load proponents in the state and we're happy to have those conversations and connect those loads up.

Mr GARLAND - Also, can you explain what you mean by Tasmania's 'growing demand for electricity', and can you outline which industries are projected to increase their electricity consumption, how much they are asking for and in what timeframe they need this?

Mr DUIGAN - Certainly, in terms of the well-known work that we're doing with hydrogen proponents and e-fuels and those sorts of things, Tasmania currently has two well-known, advancing - not to the same speed that we had hoped for earlier in the hydrogen-hype curve - two circa 300-megawatt projects, one in Bell Bay, one at Burnie. There is another hydrogen proponent currently talking to TasPorts about a similar scale thing. So, that's a fair bit of new energy.

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The other obvious place that I think we will see load growth occur is through data. Tasmania is very well geographically located for the situation of data projects. Another benefit of Marinus Link is the substantially increased telecommunications capacity that it brings to the state, vastly improved. It makes Tasmania even more prospective from a data perspective; good climate, green grid, good data connection, all those things.

I don't think we want to be too prescriptive about what load we're chasing. I'd love to see Boyer put an electric boiler in, great. Love to see Liberty decarbonize. All those things.

Prof RAZAY - I'm trying to make a question for you, minister. I was thinking how Hydro Tasmania plays an important role in supporting our Tasmanian industries, especially in Bell Bay, for example. The recent special agreement for one year to support the aluminium smelter in Bell Bay and I also expect something is being negotiated regarding the Hydrogen Hub as well. How can you guarantee in the future, with Marinus Link, that you will continue to support our local industry and provide them with the reasonable price as well?

Mr DUIGAN - Thank you and happy for Hydro to have a go.

Mr BOLT - Thank you, minister, and thank you Prof Razay. It comes back to the fact that we take those responsibilities to the Tasmanian economy, to the workforce here, very seriously. We look to price so that we do meet government's expectations, that we will, and our statutory requirements demand that we operate reasonably commercially, while at the same time looking at opportunities to grow industry and create the jobs that you're referring to.

It just comes down to the way we price in our negotiations. I think the record that we've struck so far is that, with Liberty Bell Bay, we did reach an agreement in the financial year we're examining here, and we will continue to look for those opportunities as time goes on.

I'm not sure I can add much more to that unless there's any thoughts that you have, Rachel?

Ms WATSON - Just to add, and I think the minister touched on this earlier, that in the case of our major industrial customers, we enter into long-term deals. So we lock a price for them, typically 10 years. I think they find that advantageous, because then they have that price security. They can plan their business around that input price over a 10-year horizon and they're not exposed to the sorts of volatility that has been the subject of some discussion today. That's a very important part that we play in supporting major - and we won't change that going into a post-Marinus world. We will still be looking to sign long-term agreements with our major industrial customers.

Mr BOLT - I should add to that. We have lots of interest always coming to us, because this is one of the few parts of Australia where power stations do not have to close to deal with an energy transition that is going to be quite disruptive in New South Wales and Victoria, but is more of an opportunity than a risk to Tasmania.

With the 'clean green' credentials of the state's energy system, with the fact that it does have sufficient power to do things like electrify the boiler at Boyer, we have not only the existing major industrials, but we do have a data centre proponent, we do have potential hydrogen proponents - and yes, while the hype cycle for hydrogen has probably reached its maximum, nonetheless for this state, taking a medium- and long-term view, has more prospects

than most other parts of Australia and many parts of the world to, in fact, seed and occupy an important niche role in a future hydrogen industry. It might not be quick, but it's certainly not over that particular possibility.

So all these discussions occur. They're not immediately going to lead tomorrow to investments in some cases, but in other cases they may. So we spent a lot of time on that. It's a major focus of our business. The board considers it frequently. We get a regular list of how those negotiations are occurring and we scrutinise that every month, and of course, the management team more frequently than that. So yes, you can rest assured it's a major focus.

Prof RAZAY - It is reassuring, honourable minister, to hear that. That they will continue to support our local industry even if they are offered higher prices in the mainland because that's actually relevant, it's important. Thanks.

Mr SHELTON - Minister, Hydro Tasmania is a major employer across the state and a big part of the community landscape throughout Tasmania, and we don't have too many employers other than the major industrials that are much bigger than Hydro, so it's got a significant part to play, particularly in Lyons and regional Tasmania. As a company that operates across the entire state, it's essential that the business provides positive impacts in the region it works in. Can you please outline what Hydro Tasmania is doing to support investments in the Tasmanian economy?

Mr DUGAN - Thanks Mr Shelton. Those benefits that you talk about in regional Tasmania have been going on for the best part of a century and they continue to be hugely important.

As we were touching on before, there is this ongoing maintenance capital works program. In FY 2025, Hydro spent over \$195.8 million with Tasmanian businesses. That was up from \$189 million in FY 2024, so combined, the best part of \$400 million being spent with local Tasmanian businesses doing work out there in those areas of the state where the Hydro assets are. It is a very direct and important source of work and source of income for a lot of those businesses in that space. Perhaps Richard or Rachel?

Ms WATSON - One example of this is the Edgar Dam upgrade. We're carrying that out in partnership with a variety of Tasmanian-based businesses, including our own insurer, consulting arm and Hall Earthmoving, which is a Tasmanian civil construction company and our principal contractor who's responsible for the majority of that work.

There are a further 20 local businesses involved in that project covering all sorts of things ranging from earthworks to vegetation management, supplying building materials, environmental services, civil construction trades. One of those is Duggans, which is a third-generation Tasmanian family business based in the Huon Valley. They've cast the new wave wall for the dam consisting of 178 2.5-metre-high precast concrete sections.

Mr SHELTON - Wonderful local business.

Ms WATSON - Yes. Our commitment to supporting local business is consistent with the Tasmanian government's Buy Local Policy. As the minister's already touched on, that's a significant part of our annual expenditure and these upgrades that we're doing to Edgar will

deliver better community safety and operational improvements while helping to protect the unique values of the surrounding wilderness area.

Ms FINLAY - Prof Razay asked an important question regarding the support for local industry. I'm interested in the power contracts more generally. You mentioned a data centre. I don't know if you said data centre, but a data proponent, and I'm interested in what the government's policy parameters are and what Hydro's contemplation, the framework for contemplation, is when you have an approach for something like a high-energy user, it doesn't have the same amount of on-ground jobs, so that sort of economic benefit to Tasmania.

What frameworks are you establishing as a government and as Hydro to contemplate the benefit of those deals to Tasmania and whether they would therefore come at a premium price for the benefits that we offer them, and the reason why they would be here or whether it's regular? If you just talk me through that a little bit.

Mr DUIGAN - I am happy for Hydro to talk about its engagement in that space.

Mr BOLT - When it comes to prioritising one industry over another, that's very much a policy matter. We take our guidance from government. It's an industry policy question. If we start deciding that a particular industry is more economically valuable than any other, then we're straying beyond our mandate.

Ms FINLAY - I did ask the minister, but he handed it to you.

Minister, we started this conversation last week, but you might have implied that we could have this conversation here. I am seriously interested in the government's contemplation of the value that we have in our renewable energy, globally recognised, the benefits of doing business in Tasmania, the climatic advantages for data centres and others to come here, and then that increasing opportunity we have here with balancing out our generation and our load. What are the policy parameters that you are putting around that type of customer in terms of them getting a lot from us and perhaps making sure that Tasmania receives a large benefit?

Mr DUIGAN - Broadly, we would say that new load coming into the state would be asked to pay a market rate. That's the broad understanding: that new load coming in will either bring generation with it and will contract with new renewables. We would see the hydrogen proponents being very much engaged in that space and that's been the understanding all through that process. I would see data very similar to that. If you look at where data would be typically seeing itself, we're seeing enough inquiries to know that data would see itself potentially in the Central Highlands. Again, it's cold, it's close to new renewables, it's close to transmission, and you'd look at those things. If it was acting as a pull through for a wind farm up there, then that would be a commercial circumstance between the generation and the load, but typically, as I say, government's broad view is that new load coming in needs to pay.

Ms FINLAY - But if a data centre comes in, and it brings its own generation project, would that neutralise the generation in your TRET figures in terms of its packaging?

Mr DUIGAN - No, that's simply on-island generation.

Ms FINLAY - Power contracts more broadly, and I'm not asking for any commercial specifics, I want to know how we're managing this in terms of Prof Razay talked about the one-

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year deal that was the extension to Bell Bay Aluminium. I'm curious in terms of the comfort of entering into a one-year deal. We talked about 10 years is the norm in how we would enter into an agreement. These negotiations happen over a long period of time but being able unable to bring that negotiation to a close prior to the end of its current agreement.

What level of comfort does Hydro have, given that I know that there is a number of players that will bear to create an outcome in being able to achieve an outcome within the year. Have you set yourself a time target when to do that so that we're not - I would use the word 'scrambling' or 'panicked', again, in trying to create an outcome? What's the approach that you're taking to this?

I'm concerned that in some conversations - and it wasn't with you, minister, but with a different minister - comments were made to me such as, 'I don't know what your expectations are, because we're offering it less than retail, less than market.' The reality is that you're talking about marginally above cost-of-production and new load should be at market, but there's a long gap between 'less than retail', 'less than market' and that. So, a serious conversation about how we bring to conclusion a 10-year deal for Bell Bay Aluminium?

Mr DUIGAN - Thank you. I will make some opening remarks in terms of the engagement that's been happening between Hydro and Bell Bay Aluminium for a period of - I believe it's six years - certainly for the last 18 months - very intensively. I think both parties have engaged in very good will and good spirit, and that continues to be the case.

What we have found, with Hydro and us with our charter, which I think has been interpreted by Hydro to mean 'at or very close to the cost of production,' and Bell Bay Aluminium saying, 'This is the price we need for our viability going forward,' there is a gap. There will be a gap, and we have been endeavouring to engage with the Commonwealth on that, and I think that has taken some time. We are at a place now where, I believe, that engagement is at the level it needs to be. The Premier, as I understand, has had meetings today. I won't prejudice those, but - you know, we need a tripartite solution to this.

The time: it will take as long as it takes, I guess. Is there an ability for one or other of those parties to necessarily pull it along? Probably in this case, the unknown is the Commonwealth. So, we will see what that looks like.

As we're looking at it, we absolutely see - and I think everybody involved in this sees - a future for Bell Bay Aluminium. We see the next 10-year contract for that business unlocking substantial investment and capital investment in that plant. There is opportunity, you know; it's a changing landscape.

With all that said, for the latest update and where Hydro sits, I will ask Richard to say a few words.

Mr BOLT - Thank you, minister, and thanks again for the question, Ms Finlay.

Very consistent with what the minister said. We recognise Bell Bay Aluminium is a valued employer, but we have been negotiating assiduously, you might say, with them. We do have the bottom line of being commercially responsible - perhaps that's another way of putting it - as well as facilitative of their continued operation in the state. A gap remained after all those negotiations, as the minister outlined. That brings into play what government, the federal

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government particularly, is prepared to do to, in a sense, 'square the circle' and land an agreement.

We thought a one-year extension was a very good way to buy the time for that to be done. I'm sure that all parties will want it done with plenty of notice, to your question about when. If we were thinking that we want to get this done or this could be done very quickly, then you might have said six months, but that simply would have meant it would have been a mad scramble, I suspect, and it would have been a last-minute agreement.

One year, which should allow for a time for a decent agreement to be landed, with enough notice that the workforce understands its future in plenty of time for that anniversary date and a new agreement to kick in. One year is simply a holding operation, an opportunity for the negotiation to secure the future of the smelter.

It, necessarily, brings in the federal government. As the minister said, that's something between the Premier and other ministers and the federal government. We stand ready to ensure that we're part of an agreement that is acceptable to all parties, in which there is a federal contribution, in which there is a good price from us, and in which there's sufficient investment to secure the plant and to keep those jobs alive and everyone happy in the north of the state.

Ms FINLAY - And so, between yourself and minister, you said that it is possible to bring that tripartite outcome, but ultimately the gap was identified too late to conclude those conversations within the time period. You don't see that happening again? If you're comfortable that you will be able to reach agreement within the 12 months provided.

Mr DUIGAN - Certainly, I do. As I said previously, the missing piece was a level of engagement from the Commonwealth government, and I think that is now not a missing piece.

Mr BAYLEY - Minister, in relation to this inconsistency between what you say around Marinus Link and lower wholesale electricity prices and what the whole-of-state business case says, and what Treasury modelled by Deloitte, who says that there will be a 59 per cent increase relative to a no-Marinus scenario - you pointed me to the whole-of-state business case. Looking at the whole-of-state business case, it doesn't reference here any other work that has been done to model this and I will read the section to you:

Wholesale pricing impact: A customer's bill is also made up of a wholesale electricity component. Work undertaken by Marinus Link Pty Ltd and for the whole-of-state business case forecasts that relative to a no-Marinus scenario, and on the basis of current policy settings, Tasmanian customers will see lower wholesale prices with the project than would otherwise have been the case without.

That's clearly wrong because work undertaken for the whole-of-state business case is indeed this Deloitte report that says prices will go up 59 per cent.

So, I ask again: what have you seen and what can you provide in relation to work undertaken by Marinus Link Pty Ltd that models prices that suggests that wholesale prices will come down as opposed to go up, as has been modelled by Treasury's report by Deloitte.

Mr DUIGAN - Sorry, what was the first one you were reading?

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Mr BAYLEY - The financial investment decision.

Mr DUIGAN - The FID Assessment.

Mr BAYLEY - Sorry, I might have said whole-of-state.

Mr DUIGAN - I have read the whole-of-state business case, and I have read the FID Assessment.

Mr BAYLEY - Have you read an alternative pricing model to this one by Deloitte that says that wholesale prices will come down?

Mr DUIGAN - I have read both documents and -

Mr BAYLEY - But not an alternative model?

Mr DUIGAN - My consistent, strong advice is that -

Mr BAYLEY - Contrary to Deloitte.

Mr DUIGAN - prices under the Marinus scenario will be lower than under a no-Marinus scenario, and that remains the basis upon which the financial investment decision was made.

Mr BAYLEY - That's your position. It's not the evidence.

Mr DUIGAN - I certainly accept that there are a couple of areas of policy work for the government - and I am going down a road here - this is Treasury work, and this is a Hydro scrutiny briefing. However, I will say that there are a couple of policy positions that the government has committed to. One is a pricing review in advance of Marinus coming online to understand whether we have our price policy settings right and if there is a good outcome for Tasmanians because that's what we want. The second one is around shielding our major industrial transmission-connected customers from undue impacts of Marinus. Those are the two policy positions.

Mr BAYLEY - Thank you. Okay, so being a Hydro scrutiny, maybe I can turn to the chair. Chair, what is your understanding of the impact? You are traders, you are projected to make money under a Marinus scenario. What is your understanding in terms of wholesale electricity prices under Marinus versus a non-Marinus scenario? Would you agree with Deloitte, which says that it's going to increase by 59 per cent? Or, putting aside the percentage, would you agree with Deloitte that wholesale energy prices under a Marinus Link scenario are going to go up? Or would you agree with the minister who somehow claims - it seems without any evidence that we can see or that he's willing to point to - that they're going to come down?

Mr BOLT - Thank you, minister. Thank you for the question, Mr Bayley. What we certainly expect is that mainland prices that we can access via exports will become more advantageous to us commercially because not only -

Mr BAYLEY - Sorry, but wholesale energy prices. It's really clear.

Mr BOLT - I'm talking about wholesale mainland energy prices -

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Mr DUIGAN - Victoria is in that.

Mr BOLT - Not only they're expected to rise, it's also that we can, in a sense, pick the higher-price periods because as the state brings more wind and solar into its mix and we get more capacity to generate through the projects, should they pass final investment decisions that we're developing, we think there's a great opportunity to substantially increase the earnings that we get from that.

Mr BAYLEY - Because of the access to the market - and did I hear you say then because the wholesale energy price will rise?

Mr BOLT - On the mainland, is what I'm saying.

Mr BAYLEY - They're only attached to the mainland and so our prices will rise with them.

Mr SHELTON - Chair, could we allow the member to answer the question before he is interrupted again?

CHAIR - Thank you, Mr Shelton. Mr Bayley, this is the last question. Then we'll move on to Prof Razay.

Mr BOLT - When it comes to the veracity of the Deloitte modelling, we have nothing to add on that particular point. We would leave Treasury to account for what that has found. I don't know that I can add much more to my answer than those points.

Mr BAYLEY - To be clear, you expect wholesale energy prices in Victoria, and as a result, Tasmania to go up?

Mr BOLT - It then comes down to how the link flows, how constrained it becomes, how much price separation there is between the two jurisdictions or the two regions of the NEM, and therefore that direct nexus would be oversimplifying the relationship between the two. What I might say is, I will ask but I'm not sure that there is any further we can add from this point of view from either Rachel or from Tim, and I suspect in that case. That's as much of an answer as I can give you. It's not a matter that we can cast any more light on than the minister's already done.

Prof RAZAY - You earlier mentioned that you tried to avoid using energy from the gas-fired generators at the Tamar Valley Power Station and with the recent dry years, that was the main reason. What proportion of our energy came from the gas fire station and how can we try in the future avoiding that?

Mr DUIGAN - I flippantly made that remark, but we are pleased to have that piece of infrastructure in our arsenal. It hasn't run for a long period of time. It hasn't run, except for the last two years, since 2019 or - that's relying on my memory. When gas prices are such and inflows are such, then it becomes prudent to switch it on. In terms of the amount of generation provided by gas, I'm sure Rachel has those statistics. In terms of what we're doing about not running it in the future, all our energy agenda is about not burning fossil fuels.

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Ms WATSON - That's set out in the annual report which Tim's just consulting. However, if I could take the opportunity to go back to your earlier question about raising dam heights, I have some supplementary information if that's okay. We're always looking for options to capture more inflows in our storages. In the early 1980s, the Miena Dam at Great Lake was raised by 6 metres, which increased its capacity by about 2000 gigawatt hours. More recently, we invested \$31 million to upgrade the Murchison Dam. The project focused on future-proofing critical infrastructure to ensure it's prepared to handle the extreme rainfall events on Tasmania's west coast. Stage 1 of those works saw the wall raised by 3 metres and that was completed in 2020. Stage 2 focused on a spillway upgrade that saw the right chute wall raised by up to 5 metres to improve containment of spillway flows and this was completed in February 2025.

Turning to energy generation then in financial year 2025, which was your question, there was a total generation across all of our power plants of 6631 GW hours. Of that 288 were from gas, so 6343 from hydro and 288 from gas. It was 96 per cent renewable generation.

Mr GARLAND - There was currently 7 GW of renewable energy projects in the pipeline, only about 1.5 GW relate to Hydro. If we end up developing more renewable energy than we need, how will this impact on the projections of profitability from Marinus?

Mr DUIGAN - Marinus gives us the ability - you know, through the course of a day, there's a profile to how the energy market looks if it happens like it does most days, and if we import when the price is low, keep our water in storage and at such times the price on the mainland where Hydro has the ability to trade into when it gets above a certain threshold, we sell energy into that market.

What else do we have?

Mr GARLAND - How will this impact on the projections of profitability if we've got more than we need?

Mr DUIGAN - Again, Marinus would give us the ability - and is attractive to proponents coming to the island because if they are building a wind farm, for example, and they're contracting with load and they are on a windy day, spilling, then potentially they can export that spillage across Marinus into a much larger market on the mainland. So there are opportunities for Marinus to play a role in that sense, but I will pass to Hydro for any further nuance.

Mr BOLT - Thank you, minister. Mr Garland, first of all, there's going to be some, what you would call natural, commercial constraints on over-investment on the part of wind and solar developers, and of course they can't firm their own output, only we can really do that. So our ability to earn substantial amounts with a healthy investment in wind and solar is also healthy, if that makes sense. If, of course, there is an appetite to build huge amounts beyond the capacity of Marinus I, you'd expect that would make the case for Marinus II.

Of course, it's an actionable project under AEMO's integrated system plan. While no commitment has been made by any government to do it, when you look at the situation on the mainland, you would have thought that would be very attractive to continue with that under circumstances such as you've described. What would that do for our profitability? Well, it certainly wouldn't hurt it. It would, if anything, make us more viable.

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Mr GARLAND - One of the assumptions made in the whole-of-state business case is that any new power purchase agreements Hydro enters with wind farms will be at market prices. Is this consistent with Hydro's intentions?

Mr BOLT - So that was the question about new load. The short answer to that question is yes. When we're talking about existing industries and existing jobs and the disruption that would come with closure, that's one view, but if it's new industries where those jobs don't yet exist, we'd expect to have a pretty robust commercial negotiation in which we'd expect them to pay the price of additional capacity that's required to service those loads.

Mr SHELTON - Minister, my last question was about how Hydro Tasmania supports the economy in Tasmania and businesses around that. I mentioned about the Hydro being a large employer and right around our region. In my view, it's essential that large organisations give back to their local communities. What work is Hydro Tasmania doing to assist local organisations and charities, so being a good corporate citizen basically?

Mr DUIGAN - Thank you. Of course, Hydro does have a role in that and provides the Community Grants Program and a Community Service Obligation. Hydro has always been looking for ways to give back to communities it operates into and leave positive impacts wherever possible. That's happening through the Hydro Tasmania Community Grants Program, which is currently in its ninth year. This program provides up to \$5000 to six selected community groups around the state.

In 2025 Hydro Tasmania Community Grants program provided \$26,500 in funding support to charities and organisations focused on community connection, sport, wellbeing, children and families and mental health. Those projects and groups are selected for their ability to make a real and genuine difference for people and communities within Tasmania. I certainly encourage eligible not-for-profits to continue in the community to apply for future grant rounds. Richard, anything further?

Mr BOLT - With your indulgence, minister, I think Rachel will add to that.

Ms WATSON - Thank you, minister. We really do value the communities in which we operate, so I reiterate the minister's statement that we would really encourage eligible organisations to participate in our rounds of the Community Grants Program.

In the recent financial year, the one that we're discussing today, some of our recipients were:

- The Tullah Progress Association, which was provided with a grant of \$5000 to contribute to the installation of a rotating basketball or netball ring at a skate park, which is a great addition to the community and encourages kids to get outside and be active.
- The Central Highlands Community Health Centre was provided \$5000 to extend and upgrade the community garden, which will provide fruit and veggies to those in the community struggling to afford fresh food and provide social interaction and healthy activity in a safe environment.

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- Bears of Hope provides immediate and ongoing support for parents suffering infant loss. A grant of \$2500 will assist with the costs of memorial services; giving bereaved parents access to a service and a support network is really an important service for parents in a time of that immense grief.
- The Tasmanian Transport Museum Society preserves Tasmania's transport history, it's the only dedicated transport heritage organisation and we gave it a grant of just over \$4000; and I could go on.

The point is that we are trying to make a difference in ways that really help strengthen community and then that we also feel we are contributing and participating in those communities. We're not just a source of funds; we're actually genuine participants and partners with the communities in which we operate.

Mr SHELTON - That application form would be on the website, no doubt?

Ms WATSON - Yes.

Ms FINLAY - Minister, I'm interested in two tough years, a low return the year just gone and a subdued year. I'm interested in some of the treatments in the financials around assets and revaluations. I suppose I'm interested in the figure that gets used over the 10 years ahead of the capital improvements, the \$1.6 billion. As I understand it when I've interrogated that before, that's a general - that's your usual spending going forward in terms of ongoing capital maintenance and programs and things; it's not necessarily extraordinary, but you have some big projects coming up like Tarraleah and Cethana, if they meet their marks.

It was quite a significant revaluation in this year. I'm interested in your description of how and why that happened. I know that there's been in the past significant downgrades to valuations. Obviously, it's going to look healthy on the balance sheet. That's useful if you're going out to get support for these future projects. I am wondering, can you talk me through what it was about this re-evaluation that saw those increases?

Mr BOLT - I think Tim will probably go to the technicalities of how that's done.

Ms FINLAY - Not necessarily how it's done, but could you help me understand why -

Mr BOLT - The drivers of it?

Ms FINLAY - Yes.

Mr BOLT - Sorry to interrupt you. Broadly, every five years I think it is, we take another look at what future revenues we may earn from the market. The assets are valued on that basis and that's what you've seen reflected in the valuation on this occasion.

Ms FINLAY - I suppose, which is interesting to me, because obviously there's a lot of learning that has to happen from this side of the table and we don't have all the people on that side of the table. I'm interested, and perhaps this goes to the in-flows question and stuff as well, that in poor financial years - not poor operating years, but poor financial years - how there's a big increase in valuation and then what that would contemplate for the year ahead when we're

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asking about modelling, about challenges and all that. Those two things don't seem to balance in my mind.

Mr BOLT - No, I should have made that point, sorry. What I meant to say - and, Tim, I will defer to you in a second - there's a difference between an immediate downturn due to a couple of years of dry, and a long-term projection which will have in it implicitly other down years, but other up years. What you then get is the average outlook discounted to them to the current day. That's why a short-term downturn and a long-term - how can you put this - upgrade of our expectations seem incompatible, but they're not.

Ms FINLAY - Yes.

Mr BOLT - Maybe Tim, you could add to that.

Mr PETERS - First of all, in regard to the asset revaluations, there's an accounting standard requirement: we'll look at the value of the assets every year -

Ms FINLAY - Did you just say every year?

Mr PETERS - Every year.

Ms FINLAY - All of your assets every year?

Mr PETERS - All our generation class assets - that's dams, the power stations, et cetera; not things like motor vehicles or anything like that. That valuation is performed internally but is also audited. Part of that valuation includes what we think is a long-term price curve, what we think the market is going do out into the future. We compare that model with other external models.

We have that long-term price curve, and we compare it to other models in the market. That model then feeds into our asset revaluation. That asset revaluation is over a 50-year period. When we have things like Marinus coming on board and we see an uplift to our profit, we should see a corresponding uplift to the value of the assets. When we do that valuation which is around 30 June, we have what we think our short-term profits are going to be, but also our long-term, so we lock that value in at that point in time.

Ms FINLAY - Can I ask a clarifying question? You said this occurs for your generating assets every year. Did you say there's a larger revaluation that happens every five years?

Mr PETERS - I think the Chair said five years, but from an accounting point of view, from a standards point of view, we will look at that every single year. It's something that we've done over the -

Ms FINLAY - What was included in these financial - as I'm trying to compare it to something I know. Back in local government years we used to do revaluations much less frequently and so they were more volatile. Then they implemented stepped valuations in between. Is this valuation a result of a five-year consideration, or next year will there be another one and another one? Is it an ongoing -

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Mr PETERS - Every year we will look at the valuation of the assets. Sometimes those valuations result in the assets not moving. As there's new information that comes to light, as we see information come through the AEMO ISP, as we see things like gas closing, as we see things like Marinus coming on board, every time you roll forward a year, your information gets a little bit crisper. That new information is fed into this particular asset valuation.

Ms FINLAY - Can I ask one more question?

CHAIR - No, because you've asked about 10 questions.

Ms FINLAY - You're not stopping me, so I just keep asking until you stop me.

Mr BAYLEY - I will butt in then. Thank you, Chair.

CHAIR - Next time I'll stop.

Ms FINLAY - That's how it has worked all week and all last week. I just keep asking.

Mr BAYLEY - I have a question for the Chair. In the final investment decision on Marinus, it specifically references meeting criteria 5 - Significant long-term positive returns to Tasmania, Hydro Tasmania, Hydro Tasmania Advice 2025. It models a central case, which is what we've talked about already, \$470 million returns, a conservative case of \$210 million and an optimistic case of \$670 million returns to Tasmania. I think higher wholesale power prices are embedded in here. Is that advice you have provided the government something you can table and provide to the committee?

Mr BOLT - That is getting to the point of being pretty sensitive commercially. I would be reluctant to give that undertaking.

Mr BAYLEY - It is a significant piece of information upon which the government is basing a billion dollar-plus investment that will -

Mr DUIGAN - If I may -

Mr BAYLEY - on the evidence provided, raise our electricity prices.

Mr DUIGAN - just to provide some context about why that is such a significantly sensitive piece of information. There has been a lot of work done to keep that out of the public realm, particularly the realm of the Commonwealth Government which is very interested in knowing and understanding what potential revenues to Hydro look like, and what support they might bring to the table.

Mr BAYLEY - Have those negotiations concluded?

Mr DUIGAN - Look, they are, but I think -

Mr BAYLEY - The Tasmanian people obviously have an interest in this.

Mr DUIGAN - Yes, true enough, but you know, the Commonwealth will ask Tasmania to use Hydro to do various things it wouldn't ask other states which don't own their generation

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assets. They will continue to do that. In discussions with some of our major industrials, these are very real and live discussions and there is good reason, for the interests of Tasmania, to hold our cards a little close to our chest on this.

Mr BAYLEY - Look, I hear you're not going to release it. Can I ask, what are some of the fundamental assumptions that sit within that kind of modelling? For example, do you model - obviously, there's an increased level of trade, and I hear that, but is it modelled on higher wholesale electricity prices?

Mr BOLT - Well, it starts first and foremost with projections of - and these vary of course - of demand supply and the costs of each of those. To the best of my understanding, what then comes out of that are price projections. They're not inputs to it; they're results of it.

It is a pretty rigorous process that I can say, because the organisation, Hydro Tasmania does have our in-house modelling capability. It is very sensitive, and it is something that anyone looking to contract with us would be very interested in seeing disclosed. That's one of the reasons, as well as the sensitivity the minister mentioned, why we'd be keeping it pretty closely guarded.

With all that said, can we say anything more about how the modelling is constructed so we can give Mr Bayley some assurance about the rigour with which we do this?

Ms WATSON - I was going to touch on the point about the shift in Hydro Tasmania's role, as we move to playing more of that firming role. The intent behind that is that we're capturing higher prices so that every drop of water we're expending actually is more valuable in the market. That's one of the key assumptions underpinning that expected uplift in profit - is that we are then capturing those higher priced moments. Having a larger link to trade over means we can capture a bigger proportion of those.

Mr BAYLEY - That's the spot prices? Capturing the higher spot prices?

Mr BOLT - Yes.

Mr BAYLEY - And what about the assumptions around the wholesale electricity prices?

Mr BOLT - The spot price is the wholesale price. We are simply capturing the end of the wholesale price spectrum, which is high priced, because we're leaving the rest of it to when there's a sufficient surplus of wind and solar relative to load, so that we can focus our Hydro resources where we earn our money towards those high end areas of the cost curve or the price curve, so to speak.

Prof RAZAY - The Huxley Hill Wind Farm and the solar farm on King Island, they provide a good proportion of their energy. What proportion comes to that and is there any future capacity to increase energy generation?

Mr BOLT - On King Island specifically?

Prof RAZAY - Yes.

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Mr BOLT - I think that's probably best answered by Rachel. Perhaps we should say that as a broad overview, both on King and Flinders Island, Hydro has shifted the balance of energy supply from entirely diesel to a substantial share of renewable capacity. Right now, on King Island, wind power is somewhat down because of a damaged blade which will be repaired, and refurbishment of different turbines. That's a temporary issue that has increased the reliance on diesel for the time being.

Is there capacity to increase it? Technically, I'm certain there is. Obviously, that comes at a cost. There are no current plans that I am aware of to do that, but -

Ms WATSON - Can I chime in at that point?

Mr BOLT - You might chime in at that point. I would be happy to be corrected because I have to tell you, I think these islands are an opportunity to demonstrate how you can make a renewable system at a living laboratory scale effective. So long as we don't miss, pardon the expression, with the supply security that the islanders would obviously be expecting us to give them.

But on that point, Rachel.

Ms WATSON - Your question was also about diesel, so we have been burning more diesel in the year that we're discussing today because we've been refurbishing the Huxley Hill Wind Farm, which started in September 2024. We're investing \$11.5 million in upgrade works to that, which will extend the working life of those wind turbines by at least 10 years. We're also, as part of that upgrade, including a new battery for the hybrid energy system. To Richard's point, that also gets us one step further to having an isolated off grid that is renewable supported that has its own storage. Then we will be able to use that battery instead of burning diesel at times when we're able to put extra energy into it and then draw it down later in the day.

Prof RAZAY - What proportion of the energy come from the clean energy of those two?

Ms WATSON - On King Island, in 2025 only about one third came from renewable energy and two thirds was from diesel, but that was a change from previous years. That reflected the fact we were working on the refurbishment of the wind turbines.

Mr PETERS - In regard to King Island and the islands, there are times during the day where the islands are 100 per cent renewable and the diesel is there to back up when the wind's not blowing or the sun's not shining or the batteries have been discharged. We have proven we can do it, but at the moment there are times where the diesel does need to back it up.

Mr BOLT - I will add there are years in which more than 50 per cent has come from wind and solar across that.

Mr SHELTON - As I only get one at a time, I might go for two this one. It is an extension of that because I have a question on King Island and the Huxley Hill Wind Farm and the refurbishment. We've always been told wind farms have a life expectancy of about 25 years. This one is 27 years old and therefore due for a refurbishment. What's involved in a refurbishment? You mentioned \$10 million. Is it just the head, the turbines get replaced, or the tower? I'm curious to know what is involved.

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Mr BOLT - It's a fine question and there could be a very fine answer.

Ms WATSON - Delighted to answer. We're going to upgrade the turbines from the ground up. That means refurbishing two of the towers, replacing each of the nacelles, which are the top sort of horizontal sections that contain all the power generating elements. Where we can reuse or keep using the existing structural elements like towers and foundations, we've tested those, refurbishing them, retaining them. We are also restoring the blades, which is the third major component of the turbines. We have a specialist contractor on site at King Island doing that. The nacelles have been supplied as refurbished units from the original manufacturer of Vestas in Denmark.

Mr SHELTON - Thank you. My real question is renewable energy has always been part of Tasmania's power system. As the government progresses our energy agenda, will we see the energy landscape diversify both at the generation level, but also at the jobs level, a significant employer within Tasmania? Can you please outline what Hydro Tasmania is doing to inspire and encourage young Tasmanians to consider careers in the renewable energy area?

Mr DUIGAN - We have before us a great opportunity for young Tasmanians to get good jobs. I was at Bell Bay Aluminium and talking to some of the apprentices there about the opportunity, not only at Bell Bay Aluminium but as a young electrical engineer the world is your oyster, and Tasmania is a great place for you be. The government's very cognisant of that growing national demand and we will see Marinus Link being the obvious one with 2000 jobs at peak construction.

I spoke last week about the steps government's taking about ensuring impacts to our workforce in the lead up and throughout these projects is being considered. However, beyond the immediate impacts to our Tasmanian workforce, it's important we're looking to the future and that next generation of workers is aware of the great opportunities. I am pleased to highlight some of the work Hydro Tasmania is doing in this area through their education programs, Generation Hydro and Girls in Power, which are designed to make STEM accessible and fun for school students across Tasmania. The programs provide students with hands-on challenges and creative problem-solving experiences relevant for a variety of STEM careers.

Hydro Tasmania also hosted five work exposure programs in the last financial year, and partnered with the Beacon Foundation to deliver two growth-industry preparation programs to raise awareness of careers in renewable energy. It's great to have that tangible impact that Hydro Tas is having in this space. It's good when you go to Agfest and things like that, to see Hydro represented there, and people pedalling the bike to run the slot cars and all that sort of stuff. It starts young and it lights a fire in somebody, so I think it is one of our profound opportunities to provide jobs for the next generation.

Ms FINLAY - Minister, I am very keen for an update on Flinders Island. A lot of that response was to do with King. First, a clarifying question - but it's their question, not mine: are there only two turbines on King Island? You mentioned two being refurbished, two of the towers. Are there only two towers on King Island?

Mr PETERS - I think it's five, but I will double-check.

Ms FINLAY - Oh, so it's two of five being refurbished?

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Mr DUIGAN - Yes.

Ms FINLAY - In terms of Flinders Island and the status of how much of a percentage through the year it relies on renewable, that would be great.

Ms WATSON - All of this is set out in our annual report, too. I'm looking at page 29. In 2025, again, we had about 4000 megawatt-hours supplied by wind and solar, and 2700 by diesel.

Ms FINLAY - They do alright. Is that fairly consistent year to year, that sort of -

Ms WATSON - Yes. The wind and solar output, looking at the trend across this page, has been increasing. If I'm right in saying this, a recent solar installation perhaps has gone into Flinders, I may not be right -

Mr PETERS - No, onto King. Just to confirm: there are five on King Island and there are two on Flinders.

Ms FINLAY - Another two on Flinders as well. Thank you for that, I appreciate that.

I've spent a bit of time talking to you, minister, and also through you to TasPorts, around the renewable hub at Bell Bay. I'm interested in Hydro's role in that. If you can put some understanding on your role in delivering that offshore wind hub at Bell Bay, and how you feel your role in that is progressing, in being able to be a party to proponents offshore; are you a partner in the project at the port?

Mr DUIGAN - Thank you. Renewable offshore terminal, the Bass Strait offshore terminal?

Ms WATSON - We've made public our market engagement framework which is guiding and directing the expression of interest we've put out now. My expectation is that a project like an offshore wind project would also come in the door through that sort of project. If they're advanced enough to be considered to have an offtake agreement with us, then I would expect to see them lining up with the other developers. To my knowledge, we're not participating in the offshore wind project. I'm not sure if that's what you were asking, but -

Ms FINLAY - Yes. I was wondering if you had a role in it. No?

Mr BOLT - Not that either of us are aware.

Ms FINLAY - So only in terms of the power agreements that you might make with an offshore proponent. Okay, thank you.

Mr BAYLEY - My question is to the chair. Chair, in relation to Lake Rosebery and the oil spill from earlier in this year: I understand that was a legacy Hydro site that had perhaps been through other hands, the West Coast Council, before it went to the person who owns it now. Nonetheless, I'm interested to know whether Hydro feels not necessarily a sense of responsibility for that, but a sense of responsibility for legacy industrial sites that stayed over, and what you've done since that incident to audit those ones, whether they're in your hands or

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not, and what steps you've taken to audit and to address and to try to get ahead of any other potential environmental problem and/or human health problem in that regard?

Mr BOLT - An important question, thank you Mr Bayley. Yes, that question did arise as a result of what happened at Lake Rosebery. I should commend the staff, at a difficult time of the year in some ways, how they mobilised to deal with a completely unexpected event, as you say, a legacy asset passed through several hands; but not only was that done with great application from an unfortunate start, we've certainly asked the question, well, where else might this happen? On the detail of that, I don't know if there's anything you can add, Rachel?

Mr BAYLEY - When was that question thrown up?

Ms WATSON - We do maintain a register of contaminated waste sites and therefore manage the obligations that come along with that. So we're proactively reviewing any similar water-storage infrastructure, both that we currently own and that we have previously owned, to make sure it is being managed to a high standard. To your question about responsibility, it was no longer our site, but we really stepped up in that instance and did our best to -

Mr BAYLEY - There's no criticism there; I wasn't pointing the finger. I was trying to understand your sense of responsibility and acknowledge the work that many people did.

Mr BOLT - No, no that was understood. It's just worth putting on the record that we didn't stand on ceremony and say, 'Oh look, not our jurisdiction, therefore can we find somebody else to do it?' We just thought let's get on with it and ask that question later.

Mr BAYLEY - The collective response to that was very good, I acknowledge. Thank you. One last one: Professor Razay asked questions about dam works. I want to get an update on the Pedder impoundment dams. Edgar Dam was mentioned. What's the expected completion cost of those works? When it comes to Scotts Peak, where are we at in terms of permits? When will you seek to get a works permit, and what's the latest cost on that? The last one I heard, I think, was \$99 million up from \$50 million, but where are we at with costs on Scotts Peak?

Ms WATSON - Edgar Dam is a \$35 million project budget and we're on track to complete that on budget. There were some early delays in the project but now it's running well. For Scotts Peak, we've just launched the detailed design for that project, and so we need to get that work done in order to get a final cost number. We won't know that until we've gone through the design process.

Mr BAYLEY - And just timelines, in terms of seeking a permit on that?

Ms WATSON - Again, my expectation would be that that will be dependent on the design itself. I'm not sure that I've got good information right here on timeline for a permit.

Mr BAYLEY - Works permit and EPBC referral, obviously?

Ms WATSON - Yes, we think the design work will be completed in FY 2027 and FY 2028. At that point, we will be seeking the environmental approvals, so I think that confirms that linkage I was suggesting between making sure we understand what's involved before we will be in a position to apply for the environmental approvals.

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Mr BAYLEY - Do you expect the cost to be higher than the \$99 million latest estimate?

Ms WATSON - Well, there's inflation and construction costs.

Mr BAYLEY - Of course, nothing's cheaper.

Ms WATSON - That's right: but we do need to do the detailed design work first. We can't determine the required capital investment at this stage.

Prof RAZAY - One of the main challenges in providing energy to the community will be how to store it when you have oversupply of it. We know a lot of investment about batteries and costs are coming down. What's the future planning regarding investment in batteries?

Mr BOLT - I will certainly ask Rachel to elaborate on this, but we're very blessed in Tasmania to have the deepest storages in the country of energy. They're not batteries obviously, but they are of the collection of dams, particularly Gordon and the Great Lake. We are certainly very focused on looking to increase the storage capacity, should it pass all the tests and the value propositions to sustain itself, by way of the Cethana pumped hydro project.

Looking at that we would say one of the tests of whether that is worth proceeding with is going to be exactly your point: the declining cost of batteries and the potential for them to have longer discharge times. In our increasingly refined advice to government, we will be testing the question of: will batteries ultimately be a more competitive option? On our current analysis, that's not the case, but the analysis is not over yet. As to whether or not we are investing in batteries beyond that, well, because we have such depth of storage here and also because this is a technology that private investors are quite capable of developing and adding to the system, that's not as strong a focus for us as our own hydro assets are, except, of course, as we've been hearing on King and Flinders Island where it's an important adjunct to the renewable output of our facilities there. Having said all of that, is there anything you want to add?

Ms WATSON - One of the things that I find most exciting about the incredible assets that Hydro Tasmania has is in fact these deep storages that can generate for weeks and weeks and weeks at a time, particularly Gordon and Great Lakes Schemes. The peaking role, the firming role, that we've been talking about this afternoon is us being in a position to hold back energy in the form of stored water. In my mind, that's better than a battery. A battery has to have energy put into it before it can then discharge it and give it back out again, and you lose some in that process. Batteries will play an important role in the market going forward, no question, but in Tasmania, the fact that we don't have to put energy in, but we can put water in, and we store it that way and then when we release it, it becomes like discharging a battery, then that's fantastic. That is an advantage that Tasmania has over almost everywhere else.

As Richard mentioned, pumped hydro gives you that long-duration storage. At the moment, most batteries being built in the Australian market are one hour, two hours, maybe four-hour storage; people are talking about eight hours. Cethana will have 20 hours of storage. That's what we call deep storage and that will be very effective in helping us store energy when there is a surplus, as we were talking about before, and then being in a position to discharge it again later on when the market needs it.

Prof RAZAY - So nice to hear such a wonderful explanation. That's great, thank you.

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Mr SHELTON - Minister, there is an old saying: there's nothing more constant than change, and Tasmania will see a lot of change going forward in the future. Project Marinus will be the catalyst for substantial change in the way our energy system operates, along with the projected weather changes. Ensuring our state is in a good position to manage all this will require collaboration between a variety of institutions. How is Hydro engaging with other long-standing Tasmanian institutions to ensure strong outcomes for the state in the future?

Mr DUIGAN - I take your point about change being pretty constant. We're seeing plenty of change in Tasmania and things on the horizon, noting that we are so fortunate that our hydro stations are not coal-fired power stations and that they would be shutting down in the next 10 to 20 years. We should all thank the great foresight of people who have gone before us for that. In terms of the change management and Hydro's collaboration, I will ask Hydro to discuss that.

Mr BOLT - I'd like to elaborate on that. We regard, and I certainly regarded it as important when I arrived, to see what we could do to strengthen our relationship with UTAS, which was already a vigorous one. It's an important agreement that we have with them covering three basic areas: skills and future workforce; R&D, research and development; and, of course, community engagement. It will leverage the complementary capacities of both organisations as we seek to adapt to a future that is both opportunity and risk in a changing climate, a different energy system and keep Tasmania at the forefront of clean energy provision. Here's a few examples, if I may, on this.

Mr BAYLEY - Thirty seconds.

Mr BOLT - Thirty seconds to go: I can speak very quickly. I will summarise. There is a \$10 million grant concerning future grid technology -

CHAIR - The time allocated for scrutiny of HydroTasmania has now expired, I'm afraid.

I thank minister Duigan, office holders, board and staff for your attendance and our staff. Thank you to the committee for your participation.

The witnesses withdrew.

The Committee adjourned at 6.30 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Networks Pty Ltd

Tuesday 25 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair) (absent)
Mr Mark Shelton
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey (Deputy Chair)
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Carlo Di Falco
Mr Craig Garland
Ms Janie Finlay
Ms Anita Dow

WITNESSES IN ATTENDANCE

Hon. Nick Duigan MP, Minister for Energy and Renewables

Tasmanian Networks Pty Ltd

Seán McGoldrick

CEO, Tasmanian Networks Pty Ltd

Roger Gill

Chair, Tasmanian Networks Pty Ltd

Chantal Hopwood

Executive Governance

Michael Westenberg

Executive Finance and Regulation

Renee Anderson

Executive People and Stakeholder

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Tasmanian Networks Pty Ltd

CHAIR - Before we begin, I am in receipt of the following correspondence from the Speaker:

Dear Chair,

In accordance with the provisions of the resolution appointing the Government Businesses Scrutiny Committee, paragraph 3, I hereby nominate Mr Mark Shelton MP as a substantive member of the Committee in substitute for Mr Rob Fairs MP for 25 November 2025. As Mr Fairs is also the Deputy Chair of the Committee, I advise that Mr Marcus Vermey MP will substitute as Deputy Chair for 25 November 2025.

Yours sincerely,

Honourable Jacquie Petrusma MP
Speaker

CHAIR - I welcome minister Duigan and CEO to the committee today and also, it is the scrutiny of Tasmanian Networks and this will now begin. Minister, welcome, and to staff of TasNetworks along with others at the table. The time for scrutiny is two-and-a-quarter hours, but we've started slightly late, five minutes late, so that's slightly reduced. Any time for a break cannot be made up. Members would be familiar with the practice of seeking additional information which must be agreed to be taken by the minister or the chair of the board and the questions handed in writing to the secretary, which is Scott at the minute. I invite the minister to introduce any other persons at the table, which is a lot, including names and positions. I also invite you, minister, to make an opening statement.

Mr DUIGAN - Thank you, Chair, and yes, we have all bases covered today. To my far left: Chantal Hopwood, executive governance; Michael Westenberg, executive finance and regulation; my chief of staff, Amanda Lovell; to my right, Chair Roger Gill; to his right, CEO Dr Seán McGoldrick; and Renee Anderson, Executive People and Stakeholder. It is great to be here with you all today to talk about the work of TasNetworks in their very important role delivering power to the people of Tasmania.

I'd thank the board and the executive and all of the staff at the business for what they do day in and day out, often in very challenging conditions so that we all can turn on the lights with confidence, and this has been no more obvious than in this past year, responding to a storm event having an unprecedented impact on the network. An enormous effort went into getting the network repaired and household power back online and it's worth noting a couple of those key figures: 47,000 customers lost power during the highest peak of the outages and overall, 200,000 connections were restored. We'd also like to thank first responders for their tireless efforts through that time including, of course, TasNetworks staff working around the clock to reconnect that power.

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There was another storm again in October this year and I'm sure TasNetworks will be able to outline today what has been done to implement learnings on its response and recovery approach. With project Marinus now proceeding to construction, TasNetworks has a significant role in Tasmania's energy future; in particular, the North West Transmission Developments are of strategic importance to Tasmania's energy future as a contingent project to Marinus Link. The board of TasNetworks is responsible for overseeing delivery of the NWTN and there will be a strong reporting and assurance obligation to keep government informed. I'm working closely with the board of TasNetworks to ensure we have that strong governance.

Members would be aware of \$191 million being included in the 2025-26 Budget for the government's expected equity contribution toward stage 1 of the North West TD, and it's important to note that that project will be funded by an estimated 84 per cent of concessional debt from the Clean Energy Finance Corporation, with those benefits passed to consumers. Through negotiations during the final stages of the FID for project Marinus, we have seen a commitment of \$346 million from the Commonwealth Government to TasNetworks, further lowering transmission cost to customers by around \$15 million per year. We have also committed to ensuring direct transmission-connected customers, which include our major industrials, will not bear higher transmission costs from Project Marinus.

Network charges make up around 40 per cent of customer power bills, and TasNetworks continues to look for ways to be more efficient and effective and also faces scrutiny by the Australian Energy Regulator to ensure its costs are prudent and efficient. There is much ahead of us, much to do and with those few words I would pass to the chair to say a few opening remarks.

Mr GILL - Thank you, minister. We're very pleased to be here with this committee to discuss the operations of our transmission distribution business here in Tasmania. We recognise that our business is here to serve Tasmanians, and in 2025 we believe we're giving strong support in challenging times to our community. We're providing more and more a direct say for customers in the way that we set our priorities. We have just established two new groups: a customer advisory group and a stakeholder advisory group, and we consult with them even at board level, to understand and get strong feedback from our customers and our community.

Those groups have independent leadership and they're helping us gain much-increased understanding; in particular, we recognise that affordability is still our customer's biggest concern, especially as the inflationary years have passed and rolled through. Our network charges account for about 40 per cent of a typical household or small business power bill. While we believe over the last decade we've had a good record at reducing our network charges, in more recent times the inflationary pressures have impacted us: in particular, rising network insurance costs, storm and bushfire issues, cybersecurity costs and in particular interest rates as we've seen interest cycles roll through - they're currently weighing on power costs now.

Whilst we are working hard to efficiently deliver what Tasmanians need, we're ensuring that we don't do things that they don't want and we're getting ready for what is a much-changed energy future. We believe there's nothing more important than safety when you're dealing with our technology, and that's safety for both our people and for customers, and we believe we are doing well in that regard. We're recognised among our contracting community as leading the charge for

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quality in safety. Now, the minister mentioned storms: while nothing's quite matched the very challenging storms we had in 2025, we did confront a very big storm in early October this year. That storm disrupted power to some 20,000 customers. We were able to restore power to the vast majority quite quickly. We had everyone back in a couple of days, which we think was an outstanding effort by our people.

No incident response is perfect, or ever will be, but the improvements we've taken from the government's Edwards network outage review and our own post-incident review of that big storm in 2025, we think we're in strong display in October; in particular, the issue that we learned from that was communication. We were helping people to understand when the restoration would occur and as a result of that, we surveyed a large number of customers and we got really comforting, strong feedback that our performance had improved and that we take great satisfaction from.

As you know, we will be starting to build the North West Transmission Developments early next year once we've achieved financial close, and this will address our members statement of expectations, which has requested that TasNetworks undertake this development. It will be our role to bring that project in on time and on budget, which we're gearing up for as we speak.

CHAIR - I'm conscious of time, because we did start late. Could you wrap up so that we can get on with questions, please?

Mr GILL - Sure. We're very happy to take questions about the north-west development in general, our capital investment program in general, and we will hand it back to the committee.

Ms FINLAY - There's a plethora of opportunities for us to prosecute all sorts of things around TasNetworks' energy systems; we do that a lot, and I'm trusting my colleagues on the committee to dive deep into north-west transmission and other things. We talk a lot about our transmission, and I'm interested in distribution. What's the estimate of how many pole assets TasNetworks have under your responsibility that are not on an asset register, in the distribution network?

Mr DUIGAN - Thanks. I think that's one that we would have at the table in the room.

Mr GILL - Fortunately, we've got a very large array of our team here, so we can answer such detailed questions. I will throw to the CEO, if you're able to give that one?

Mr McGOLDRICK - For sure. I will start by saying that we have 233,000 poles in our network. It's quite an extensive distribution network. Those are mostly wooden poles, although we do have concrete fibre and concrete poles as well. We've built up a database of those poles, and over time, we're improving the accuracy of that database. We crosscheck using a number of different techniques, including, of course, inspection by our asset inspectors, but also aerial photography and LiDAR that we use. We've created a digital twin of our assets and the network, which allows us to crosscheck our systems.

We purge through our systems reasonably regularly, but there's always the case with such a large number of poles that there can be confusion, and there may be poles that have slipped

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through. When we find those, we put them, of course, into our database. A number of years ago, we did a big serious flush-through of our assets. I believe we found of the order of 60 poles that were mislabelled. They were labelled as Telstra poles where they were actually our poles, so we corrected that. In estimate terms, it's a very, very small percentage that may be unaccounted for out there, but of course, we've systems and processes to check and to try and address that issue when we find them.

Ms FINLAY - There's not an ongoing program or project around finding classes of poles that might have come across into your responsibility, like Telstra poles for instance? So, pretty much, for the best available technology and inspections, of the 233,000 poles in your responsibility, other than a small number, under 60, like a small, small number, you're fairly confident that you've got all of the poles?

Mr McGOLDRICK - Yes, we are confident. Of course, that's not all the electric poles on island, wooden poles, or otherwise.

Ms FINLAY - Just the ones that you're responsible for.

Mr McGOLDRICK - Correct. Exactly.

Ms FINLAY - Thank you, because I thought it might have been a bigger number. So then, of all of the poles in your responsibility, what percentage of poles wouldn't have been audited or inspected, say, in the last three years?

Mr McGOLDRICK - We have a regular inspection cycle of all of our assets, including the wooden poles. We have both visual inspection and actual inspections where we touch or drill or examine assets. There's a regular cycle -

Ms FINLAY - What is the required cycle?

Mr McGOLDRICK - If I could just hand over to give some of the detail.

Ms ANDERSON - Yes, just to that - it's a five-yearly cycle.

Ms FINLAY - And that's on each of the different classification of pole? Whether they're wooden, you talked about composite and other more modern types of poles. All poles are on a five-year cycle?

Ms ANDERSON - Five-yearly cycle specific to the wooden pole fleet, as the CEO, said, particularly around the visual inspection and the drilling. We will just have to get the cycle for the composite or the concrete poles, the actual -

Ms FINLAY - If you could, that would be great. Thank you. Through you, minister.

Mr BAYLEY - My question is to the chair: chair, there's a lot of contentious things around the Marinus Link project and there's plenty of red flags in the whole-of-state business case, but

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one thing that isn't contended is the increase in transmission charges. The whole-of-state business case said:

Based on modelling undertaken by TasNetworks for the whole-of-state business case, Tasmanian electricity consumers can expect to pay higher transmission network prices arising from the cost to build Marinus Link and the associated North West Transmission Developments.

That's a statement that is accepted. I have it that annually it'll be around \$154 million that Tasmanian consumers will pay across domestic consumers, business, major industrials. Can you talk us through the modelling that you have done, table it if possible, and talk us through what is allocated to each of those customer segments: major industrials, business and domestic customers?

Mr GILL - A lot of effort's gone in during the development process of Marinus and for the north-west development to keep our impact on the Tasmanian community as low as possible. In fact, the charter that we operate with, the prime purpose of TasNetworks, our prime objective is lowest possible prices. Obviously, with regard to sustainability of the business. This has been a big issue. Issues like getting concessionary finance, the split between the Tasmanian-Victorian allocation to pay for these things has been a large issue. I will hand to our team to give you the exact numbers.

Mr WESTENBERG - In relation to the revenue and how that's split up, we have been focusing on providing prices at a customer level, so, a pricing impact. That is still being influenced by a couple of factors. Number one being the concessional finance arrangements with the Clean Energy Finance Corporation. Whilst those have been agreed for the contingent project, application No. 1 or early works, it hasn't yet been finalised for the construction phase, that is still ongoing.

The second component of the pricing impacts relates to modelling that we're undertaking at the moment and continue to do. We have papers going again to the board this month in relation to finding the right balance in early years around the cash flow impacts on TasNetworks and the customers.

In relation to indicative prices, we've provided a range for residential customers in the vicinity of around \$27-\$45 of an increase in 2031-32. That is an increase based on, again, a range of concessional situations and also 2031-32 is the year we feel would represent the major investments in that. Obviously, that doesn't take into account any reduction in energy prices that we may see through the operation of Marinus Link.

CHAIR - You're just talking about the north-west?

Mr WESTENBERG - Yes, just talking about the north-west.

Mr DUIGAN - Chair, if I may, because that is an important part of Project Marinus. While a new transmission build will see an increase in transmission cost, in totality, we expect to see - and all the modelling shows - a corresponding downward movement in wholesale energy prices.

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Mr BAYLEY - I'm sure we'll get to that, minister. Chair, my question wasn't answered, sorry. I put the figure of \$154 million increase annually for Tasmanian customers and Mr Westenberg has given me the residential component of that. Can you confirm it's \$154 million a year that's been modelled so far? And what's the business and the major industrial component of that?

Mr WESTENBERG - I will need to check, through the Chair, on the \$154 million in revenue for you and come back to you shortly on that.

In relation to other components, I think I'd refer to the minister in relation to impacts on transmission customers and statements that the minister's made in relation to policy positions on that.

Mr BAYLEY - And in terms of that modelling, is it public and are you able to table it for the committee's purposes?

Mr WESTENBERG - The last lot of modelling that was public was through what we provided for the whole-of-state business case.

Mr BAYLEY - That's in the whole-of-business case? I couldn't see it.

Mr WESTENBERG - It has improved considerably.

Mr BAYLEY - It's not an attachment to that though, is it?

Mr WESTENBERG - No, it's not.

Mr BAYLEY - It's just what's reported in there.

Mr WESTENBERG - Yes, it is. We will continue to model probably up till February before the financial close. I'd have to check if we can provide that modelling. It is quite detailed.

Mr BAYLEY - Can you take that on notice? Is that being taken on notice? The other segments of the community -

Mr DUIGAN - We will have a look to see what can be done.

Mr BAYLEY - And then also the business and the major industrials.

Mr DUIGAN - We will have a look. And I've made, and the government has made policy commitments that will be considered around shielding our major industrials from increased transmission costs directly related to Project Marinus.

Mr BAYLEY - Chair. With respect, have a look? Does that mean take it on notice?

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Mr DUIGAN - As I say, we will see what is available to be released. If what's in the whole-of-state business case is the latest public information, then that will be the latest public information.

Mr GARLAND - How many of the 300 property owners directly impacted by the North West Transmission Developments have not agreed to give TasNetworks an easement over their property?

Mr DUIGAN - Noting that this is a dynamic number and these conversations are ongoing, I will hand to the CEO to give us the most up-to-date information there.

Mr McGOLDRICK - I'm going to structure this in terms of private and public landowners, so there's no confusion. We're dealing with 271 private landowners and 10 public landowners and we're in negotiation with all of them. In terms of the public landowners, we have secured options agreements with seven of the 10 and we're in negotiation with the remaining three and that will continue through these weeks. With respect to the 271 private landowners, 96 per cent of them have granted access to their property, 83 per cent have signed option agreements with us and we are working still with 17 per cent of them. Of that 17 per cent, about 13 per cent we're in active negotiation on. I would predict that we will reach a situation where about 96 per cent of the private landowners will and all of the public land owners will sign up in due course.

Mr GARLAND - What is the deadline for those property owners to do this?

Mr McGOLDRICK - The real deadline is that we need to get into the field to start construction and we have been working with landowners since 2021. We've a number of different phases to this; 1 December coming up is an important phase because that's the deadline for the strategic benefit payment that private landowners, but not public will benefit from. We're hopeful to get as many people as possible signed up by 1 December, but early in the new year is when we have very significant time in terms of making sure, we're ready for construction. These months are quite critical.

Mr Di FALCO - Minister, the north-west transmission lines are causing unrest with landowners and farmers. I've met quite a few over the last month. Can you outline what the proposed closest tower to somebody's residence and what are the minimum safety requirements?

Mr DUIGAN - I acknowledge that this has been - and these things probably always are - when we're putting transmission the landscape, the North West Transmission Development is, broadly and in a major part, an augmentation of an existing transmission line. I think 95 per cent of the route already hosts transmission. I, too, have met various landholders over the time and have heard encouraging stories and good results where the number of towers has been decreased, and the alignment of towers has been made better for farming operations and those sorts of things. As for the proximity of a tower and the safety envelope around that, I would ask someone in the business to make that level of detail.

Mr McGOLDRICK - I will be able to give you some details, but we may need to find out some more for you. It's important to bear in mind that this is a development that stretches over 130 km. As the minister said, all but a few kilometres are what we call brownfield and they're on

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existing easements. So, we're either taking down existing towers and replacing them with different towers or slightly widening the existing easements and putting towers adjacent, so there's a mixture of those things along the route.

We always endeavour to keep a distance away from property. Since 2021, there has been detailed work going on in routing the transmission line to minimise the impact on both landowners, and the general public and resources generally. We try to get the least impactful route. We have been working with 96 per cent of those landowners since that time; adjusting the alignment, adjusting the tower positions or placing towers on fences so that it interferes less with the primary purpose of the land, which is mostly agriculture. We're working very, very hard on that. We will get you the closest tower, but we've always tried to route away from any developments, any housing or, indeed, farming buildings where we can. If we have to alter those things, compensation is paid, and we would do so with the agreement of the landlord.

Mr SHELTON - Minister, both yourself and the chair mentioned the seriousness of the storm events that we had this year. In fact, they were that serious that the state and federal governments announced disaster relief or a national disaster. From any of these storm events, there's always reviews and learnings that can be taken from them. Can you please provide an update on what changes TasNetworks has made as a result of the storm review, and how successful they've been in their implementation?

Mr DUIGAN - Thank you, Mr Shelton. Obviously, at the head of this question, I would extend my thanks, and I think probably all of our thanks to those people who go out into those challenging circumstances and rough weather - whether it was police, fire, SES or, indeed, TasNetworks staff. Over the course of the storm, as I've mentioned, 200,000 customers were without power supply, some of which were the same customers with multiple outages as the weather fronts continued. That was the strange aspect of that storm, or unusual aspect.

When you have an event like that, it gives you the opportunity to pause and reflect, and through the advocacy of Mr Garland, at least two reviews were conducted into that storm event. One was TasNetwork's own review, which it did as a matter of course, and there was the independent review. That review provided some pretty valuable insights and recommendations to strengthen Tasmania's energy resilience and emergency response capabilities, with the majority of its recommendations applying to TasNetworks. I am pleased to report that TasNetworks is already seeing improvements as a result of implementing changes.

During the recent storms in October, storm-specific customer satisfaction (CSAT) was incredibly strong, with the score of 7.84, and an ease of interaction score of 7.98 - both above our targets of 7.7 and 7.8 respectively, and significantly higher than the CSAT score of 5.68 seen through the storm event the year previous. I think it's a really important step forward and a meaningful step change. Anything further on that one, chair?

Mr GILL - The most exposed issue is our distribution network. We have 15,000 km of distribution network in Tasmania, and that storm event was a 1-in-25-year type event. We didn't get our communications done as well as we would like with customers. People were frustrated that they didn't know when the power was coming back on, or how long was going to be off for. I think that was the big takeaway for the board in the two reviews that were undertaken, and as the minister

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said, we were very pleased that we have strengthened that significantly during the period post 2024.

I will let Seán talk a bit more about it, because it is our core reason for being, is to keep our reliability up.

CHAIR - That's all very well, but it's a very long response. I wonder if we could go to the next question, please?

Ms FINLAY - Minister, through you, of the 233,000 poles in the distribution network, how many aren't audited within the five-year period?

Mr McGOLDRICK - We inspect, the phrase we would use would be inspect. We would inspect poles, all of them on that five-year cycle. Some of them require just a visual, some as I said we would test and drill, but across all of our work programs - every year we have a program of work and that is at the heart of our program of work to go ahead and do those inspections. We have dedicated asset inspector who go, our crews visit sites all the time. We go through that cycle in five years.

Ms FINLAY - You're confident that all the poles are always audited to standard?

Mr McGOLDRICK - Poles inspected and we try to make sure that our inspection techniques are modern. We've improved those over time as well. We are dealing, in the main, with a natural product in wood in those poles and there are invariable environmental conditions out there as well that can impact those poles. We have very knowledgeable inspectors, and we are members of various different professional organisations that we learn from, and we inspect all of those and we improve our techniques.

Ms FINLAY - What are the minimum standards that would see a pole fail an inspection and need to be replaced?

Mr McGOLDRICK - There's a range of different concerns that might cause a pole to fail. The most obvious things are like a split on the pole or if the pole is leaning or if there is evidence of degradation or when we do the inspection using our drill kit, if it shows a percentage of non-good wood. We have a technique where we drill and we ultrasound. We also used to use tap and test, but nowadays we use more drills, and it gives a certain percentage of good wood in a pole. If that falls below a certain level, then that pole would be condemned. Then we would replace that pole and we would declare it as a fault and we would replace that then with the next available crew.

Ms FINLAY - And the time from identifying a faulty pole with an inspection to a program of work to have them replaced. Is there a minimum standard to replacing a pole that fails inspection?

Mr McGOLDRICK - It depends on what has failed. Some poles we band and reinforce, or we stay them and that will give them an extension of life. Some poles will fail, but they are

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sufficiently good still that we would put them into our ordinary program of work, some of the defects that we find are a failure immediately and we would then indicate them as a fault, and they would be replaced then with the fault crew. That would be within a couple of days they we would go out and replace.

Ms FINLAY - How many poles within the five-year inspection cycle fail? So, not being identified as not meeting the minimum standards, but that have failed without taking outside storm events - so in a non-storm environment - how many poles have failed in the TasNetworks system that have been within the inspection period but not identified for immediate replacement?

Mr McGOLDRICK - Just so I understand your question, in the ordinary course of the year when we inspect -

Ms FINLAY - Regular weather events.

Mr McGOLDRICK - Regular events, leaving storms aside, how many poles fail, is that your question?

Ms FINLAY - Yes.

Mr McGOLDRICK - Okay, we can get you an average on that. Do you have the number?

Ms ANDERSON - We do have some information on that. Our current failure rate of wood poles, and this is in high numbers, so bear with me, but is around 0.75 in 10,000 over the five years, that's the number of inspections.

Ms FINLAY - Sorry, what are you telling, number of inspections?

Ms ANDERSON - The failure rate is 0.75 in 10,000.

Ms FINLAY - They fail the minimum standard when they're being inspected.

Ms ANDERSON - Yes.

Ms FINLAY - So my question is -

CHAIR - Last question.

Ms FINLAY - This is the question, though. Not in inspections, but what's the failure rate of poles within their inspected timeframe, that they're not being inspected and you identify a fault that they don't meet the minimum standard, but poles that fail. For instance, recently in Legana, there's a pole that fell over. I know that safety is important. What I'm trying to understand is the risk to the teams at TasNetworks and what is the community risk about the current integrity of the pole network in the distribution network for TasNetworks. That's what I'm trying to understand.

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Mr McGOLDRICK - Occasionally we do have poles that fail, and of course, each one of those that happens we do a detailed investigation about it. Those investigations help us then improve our techniques. It's a relatively rare event, perhaps one or two a year, but we can get the exact number.

Mr WESTENBERG - We can provide that information for you. You're talking about unassisted pole failures -

Ms FINLAY - That's the language?

Mr WESTENBERG - That's the language. In 2024, we had 20 unassisted pole failures, which is higher than the preceding couple of years, but also when we benchmark TasNetworks, that works through, I think, in one in 20,000 poles as an unassisted pole failure rate. What we've been doing is a lot of research on how does that compare with our peer group, and we're well within the average of that.

Ms FINLAY - Have you got the last five years there?

CHAIR - We will move on. You have asked a lot of questions.

Ms FINLAY - Well, it's the question that I asked wasn't answered and there is an answer here. Could you table the chart of unassisted pole failures?

Mr DUIGAN - We are happy for that.

Ms FINLAY - Thank you.

Mr BAYLEY - I'd like to go back to the Chair and keep exploring the increase in transmission charges in relation to Marinus Link and the North West Transmission Developments. The revenue-sharing agreement between the Tasmanian, Victorian and federal governments are really clear. It says that based on the advice of TasNetworks and AEMO, Marinus Link has forecast an increase - and I quote - 'an increase of approximately \$47 in transmission charges for a typical residential customer in Tasmania.' I note Mr Westenberg's evidence there before was \$27 to \$45.

Again, I want to ask about small business and major industrials, but also, talk me through the difference between the figures that Mr Westenburg gave, the figures in the Marinus Link's revenue proposal, and I guess, what's expected with this future modelling that is still being undertaken?

Mr GILL - Before I get to Michael to go into that - we've got the revenue-sharing arrangement which applies to Marinus Link, and that's the Marinus Link component. Then, of course, we've got the North West Transmission Developments, which we have strong concessional finance in behind. We also have support from the federal government to reduce our overall asset base by over some \$340 million to get costs down. So, we've been working pretty hard to get these numbers as low as possible.

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Mr BAYLEY - Just to be clear, then: in terms of that Marinus Link revenue proposal from late last year, that increase in approximately \$47 in transmission charges - that's just for the Marinus Link component, not the North West Transmission component?

Ms HOPWOOD - Just clarifying what you're quoting from, sorry?

Mr BAYLEY - I am quoting from the Marinus Link revenue proposal from late last year. It is the Revenue Proposal Stage 1, part B (Construction Cost) submission to the Australian Energy Regulator and it highlights a \$47 increase in typical residential customer based on TasNetworks' advice. Page 80.

Ms HOPWOOD - Yes, that does sound like the Marinus Link proposal. That's for Marinus Link cost recovery.

Mr BAYLEY - That's right. The question is, is that just Marinus Link? We heard from Mr Westenberg before \$27 to \$45; this says \$47. What's the discrepancy, and what's to be added there for North West Transmission Developments? Because I hear that that's Marinus Link only.

Mr DUIGAN - If I may, I think it's very important that we don't get out of sequence and out of whack. There are a lot of numbers floating around; it's important that we're addressing the numbers. The North West Transmission Developments is a known entity with a cost of -

Mr BAYLEY - Minister, I've asked if you're willing to table the modelling. That would resolve it for us.

Mr DUIGAN - Indeed, with a P50 cost that's been part of its CPA2 submission and there are a number of things that have been applied to the North West Transmission Developments which will bring down its cost and it's important that we are comparing apples with apples. That said, I would -

Mr BAYLEY - With respect, that's my question. I've heard some evidence from Mr Westenberg, there's something in this revenue proposal that's different, that doesn't include North West Transmission Developments. I'm just trying to get some clarity. You're welcome to table whatever you have to give us all clarity, but I completely acknowledge there are figures flying around everywhere and to be honest, minister, few people believe them when they come from the government that is.

Mr DUIGAN - Well, we are very happy with our numbers and as I say with the North West Transmission Developments, it's a relatively known entity, it's a transmission augmentation. We think it will cost \$1.1 billion. We have a number of offsets against it. We would expect to know and understand what that would cost in terms of our -

Mr BAYLEY - Transmission charges.

Mr DUIGAN - customers. Yes.

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Mr BAYLEY - Yes. So, to the question, Chair.

Mr GILL - I'm very happy to give some overlay and then let Michael pick up those detailed numbers. A really important thing to remember about what we have to comply with is the Australian regulatory framework. The primary role of the Australian regulator is to keep an eye on customer benefits, making sure that customers are benefiting from all the transmission developments around the country. This, equally, has been heavily scrutinised. We are just in the process of putting forward to the Australian regulator the final cost of the North West Transmission Developments, so they can again review that and that includes the household and small business impacts.

Mr WESTENBERG - We're still just working through that previous number, through the minister, that you requested. However, you did ask a question about what the discrepancy is, why are there differences. As I said previously, one of the factors we need to lock down is the concessionality of what we're providing and that is done through a concessional finance agreement that will be signed between ourselves and the Clean Energy Finance Corporation that provides the level of discount. That is quite detailed. We're still working through that. That should be finished as I said, by February.

In addition to that - the grant of \$346 million - we are working now with the regulator on the exact mechanism within the regulatory framework to provide that and the concessionality. Previously numbers that would have been provided in a whole-of-state business case - I believe that was prior to the announcement of the grant - would not have included that sort of modelling, so we need to provide that once that's all finalised.

Mr BAYLEY - At a higher level again, for the Chair, in terms of the North West Transmission Developments' impact on TasNetworks' overall financial position and its ability to pay dividends to the Tasmanian government, over the next 20 years, let's say - and then perhaps for the next 20 after that - what's your assessment of your investment and commitment to that project and your ability therefore to pay dividends to Tasmania?

Mr GILL - As I said earlier, this Statement of Expectations which we have from the government, provides very clearly that the major driver for us is lowest possible prices. Your questions are right on the issues that we worry about in how do we keep those prices very low?

Mr BAYLEY - But at the same time, you've been told to do a development.

Mr GILL - Correct. At the same time, in that document on the North West Transmission Developments -

Mr BAYLEY - That's right.

Mr GILL - which we also believe - and it has been proven that during its revenue test - had a net benefit for all of Marinus Project, North West TD, plus Marinus of \$3 billion net benefit, net after costs, the majority which -

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Mr BAYLEY - To Tasmanians?

Mr GILL - To Australia.

Mr BAYLEY - Your charter is for Tasmanians, so obviously that's the line of questioning.

Mr GILL - Correct. I'm just giving you the envelope around why this project is of value to everybody, and it's shared clearly between the rest of the NEM and Tasmanians. The majority of that benefit comes in stage 1, which is the first project we're moving from.

If we then look ahead - given this is a strongly economically beneficial project - if you look at the program of both the debt that will go with it, the concessional financing that comes with it, which is, you know very substantial. We're very confident that that will enable our business to go along with modest profitability.

This is not going to be a company which has excessive profitability going forward, because we want to keep prices as low as possible for our customers. That will see us return into the future to profitability of around the \$30 to \$50 million in NPAT range. Last year we had only \$8 million-ish profitability, which was affected substantially by two major events - one was the storm and two was a new enterprise agreement that's been established. That won't be a continuation of the profitability that you would see coming out of us, but I would say that's what -

Mr BAYLEY - When do you expect that return to the 30? You expect to return to that when

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CHAIR - Mr Bayley, last question because we need to move on.

Mr GILL - Somewhere between 30 and 50 - I would expect that that's where we'd be in the decade ahead.

Mr GARLAND - Of those easements that haven't been signed up or won't be signed up, will TasNetworks be requesting the minister to sign off on compulsory acquisition for those remaining easements?

Mr DUIGAN - I think we certainly have a job ahead of us, and we have something to build at some point, as has been described. We want the best possible outcome for everybody in that space, and that's why I think we've been working so hard on a very - I would describe it as - fair and reasonable compensation package. It's contemporary, it lines up and in fact in my view, potentially exceeds what's been made available in other states, given the infrastructure that we're building is smaller than what is being built on the mainland. I would just encourage those people to talk to us to get the best possible outcome that they can, between now and when construction will commence.

Mr GARLAND - If they don't sign, you will be have them compulsory acquired?

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Mr DUIGAN - Nobody wants to - we don't want to acquire any land; we will need easements though. That's probably the fact of the matter.

Ms JOHNSTON - Chair, it was revealed in the budget Estimates last week that electricity infrastructure such as the wire and substations to enable the operation of the proposed Macquarie Point stadium were not included in the stadium costs and will be paid for by TasNetworks. Can you inform the committee what assessments TasNetworks have undertaken, and cost estimates provided of electricity infrastructure required to support the stadium? How much of the stadium electricity infrastructure add to the average household bills in high network charges, please?

Mr GILL - I will pass this one to Seán, because we have done quite a lot of work on this one.

Mr McGOLDRICK - Sure. Just like any project requiring electrical load, we engage through the development process of that project and TasNetworks has many different connections in any given year, big and small. At this point, we have a project team that have been engaging with the stadium precinct, and the outline plans for it. That's aligned with TasWater and other people as well who've been engaging in that project team. We're still trying to determine the size of the electrical load, and that has been under a lot of discussion. It's at the very, very early stages, so we don't have any information as yet about the cost.

We haven't even entered design stage yet, so it's probably what's known as technically 'pre-feed', it's very much front-end, even before front-end. I'm unable to provide you with that level of detail at this moment. That's something that progressively over these coming years will be developed, and we will then take the necessary steps to design and to deliver the electrical component of this stadium project. I don't have any detailed figures - none are available at this point in time.

Mr SHELTON - Minister, as poles are my business, it's pretty crucial that TasNetworks are investing in maintenance and upgrades of their physical assets. Ms Finlay has been down that path with a couple of questions. This is even more essential when you consider some of the wild weather we've seen so far this spring with some serious storms as you mentioned before. As an aside, poles just don't fall over.

Ms FINLAY - Apparently the unassisted pole.

Mr SHELTON - Unassisted, but they typically sit up in the wind and when you string a wire on them and the wind blows then there's a certain pressure on them. When that pressure is greater than the pole can stand then they do fall over. Can you please outline what sort of asset management plans TasNetworks has in place and what future-proofing they do they are doing?

Mr DUIGAN - Mr Shelton, I appreciate the question and obviously we have had some discussion here. It's important to recognise that there is significant ongoing investment year-on-year to keep the network reliable, functional, safe and through the course of last financial year, I think \$275 million was the investment. It's no small thing to keep the network in a serviceable

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state and a lot of that's vegetation management. I would pass to the business to provide a little bit more detail in terms of those things that haven't already been mentioned.

Mr GILL - I will bring everybody back to the regulatory overlay within which we operate. We have to go to the regulator to get the revenue that we are allowed to charge to customers. We have to forecast five years ahead and in that five years we have to figure out how much capital we're going to need in order to maintain these assets. Asset management is a big deal inside our business pretty obviously and we are really conscious of public safety, the issues that we're dealing with when you have 15,000 kilometres of distribution and over 3000 kilometres of transmission. Being able to forecast it means you have to really understand it. I will pass to Seán to talk a bit about that, and the regulator puts a lot of effort into trying to understand, do we understand what we're doing? Is the money that we're asking for excessive or appropriate, and that we believe is our core capabilities.

Mr McGOLDRICK - We're always trading safety, reliability and affordability and trying to make the best equation of that. Last year we spent \$272.2 million into our network. We have quite an extensive network serving over 300,000 customers. As the chair mentioned, 15,000 kilometres of distribution lines, 3500 kilometres of transmission lines and that is a vital asset economically for the state. We treat very carefully, and we inspect it regularly.

Our inspection methodologies, our asset management practises, we regularly benchmark against the industry worldwide. We're a member of a number of peak bodies where we share information and collaborate in making sure that we have the best up-to-date information that we can take from around the world where we are a member of CIGRE the high voltage organisation. Locally here in Australia we are members of the Electricity Networks Association on various different committees. We share that information, we bring those modern techniques, and we spend that money wisely. It's about making sure that we get the best bang for our bucks and keep those assets safe and reliable at an acceptable cost. That's our focus. It's quite important that we continue to make sure that we get the best out of that existing asset and extend it and improve its capability where necessary, also in an efficient way.

Ms FINLAY - That's the segway to the question about, and I'm not sure, did a chart get tabled before around the unassisted pole failings?

Ms HOPWOOD - We don't have a hard copy.

Ms FINLAY - Okay. I will put a question on our notice, then. If I can just give some more context to the ask, so if it is something that you don't provide, that's online, could you outline for me the number of unassisted pole failures each year for the last 10 years, and of that with the investigations that you've done after the pole failings, what number of poles were timber or new poles, like you called them composite or other technologies? How many of those poles were in fact inspected in the five years that they were required to be inspected? How many of those poles - I think the CEO used the word 'banded', which I'm assuming visually means this way, but often poles have something that they're supported that way - how many of the poles failed above - when a pole is supported, whatever the up-ways thing is called - failed above that moment?

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To understand, you used the word 'managing the assets with an acceptable cost', and I'm interested whether with the competing pressures of creating the lowest possible price and returning dividends to the state - which is the line of questioning Mr Bayley has been asking. Of course, you're deep in a chapter of capital expenditure and investment - is it included already in a report of unassisted pole failings? Could you table along with that chart a report that shows the outcomes of your investigations post-pole failure?

Ms HOPWOOD - I can provide the stats for the last five years; I've got those and noting that we will need to provide further details. For the unassisted pole failures in 2021 was four; 2022, also four; 2023, eight; 2024, 20; and 2025, 20 as well.

Ms FINLAY - Interesting that the number is increasing; has the investigations and contemplation for the risk, given that there is a responsibility to keep both the team members and the public safe around the increasing event of unassisted pole failures?

Mr WESTENBERG - Through the minister, there's quite a few questions in that that we will need to give you a breakdown; but certainly, there's been a group set up within the business for a period of time now to look at unassisted pole failures, with a number of recommendations. One of the things that you need to look at is the age of the poles. As you've seen before in previous years, occasionally there will be peaks, so it could be that those poles were put in at a certain point in time.

Ms FINLAY - If you're inspecting poles every five years and the age of the pole is greater than five, you would imagine the inspection rotation will pick that up?

Mr WESTENBERG - Certainly, but as the age of the pole gets older - we are talking about assets that generally last 50-plus years - so as the age of the poles get older, that risk does increase. One of the key findings that the group has found and also since implemented, is TasNetworks was one of the first companies to use an electronic IMT drill, which drills a 2.5 millimetre hole through the pole, instead of what a lot of other network businesses did, which was a large hole. That produces an electronic signature both for the hardness of the pole and the composition. What we've done is looked at changing the parameters of the drill and the test, so we have made some changes to that, and that's already started over the last couple of months to tighten up the parameter.

Ms FINLAY - Just recently?

Mr WESTENBERG - Just recently. Yes, that's correct.

Ms FINLAY - It is a front-of-mind issue for TasNetworks?

Mr WESTENBERG - Absolutely correct, as well as looking at - my understanding with the other poles, that we've only had the one composite pole fail; the assessment was made was that that was brought down due to a tree falling down on other assets and the asset actually pulling the pole down, as opposed to -

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Ms FINLAY - The specifications of the poles I'm interested in - that might be the one that was close to home.

Mr WESTENBERG - It may have been, I think we've only had one recently.

Mr McGOLDRICK - I'd be happy to give detail on that.

Ms FINLAY - My understanding is that these poles are highly specified to withstand serious storm events and also other related infrastructure impacts. I suppose then, I'm going to have a big question on notice, but particularly with this new pole, a pole that failed below its specifications, so it should have been able to withhold -

Mr McGOLDRICK - It did not fail below its specifications. That pole is what we call a titan pole, which is a concrete-spun fibre pole, and we put those in critical locations.

Ms FINLAY - Out of interest, was this is Bass?

Mr McGOLDRICK - It was in Legana.

Ms FINLAY - We're talking about the same thing, that's all.

Mr McGOLDRICK - Yes, for sure. It was outside a pharmacy in Legana.

Ms FINLAY - Hence the line of questioning around public and team safety.

Mr McGOLDRICK - This happened around the storm event that occurred. What occurred was that pole did not fail, but adjacent poles failed because, as Michael has said, a tree came down in the storm. The combined effect of the wind, which was of the order of 140 kilometres an hour, and the mechanical load of the conductor pulling down literally twisted the pole. It didn't fail unassisted; it was very much an assisted failure. It held up to specification, but when adjacent structures failed because of a tree coming down, it was -

Ms FINLAY - It held up on all its specifications?

Mr McGOLDRICK - Our inspection shows that pole performed to spec, but it failed because of adjacent pole failures that failed as a result of a tree coming down. So it was a ripple effect, a sequence of effects, but it did meet its specifications. We're confident that that type of pole performs mechanically, if you will. It stands up to wind speeds in excess - and we've specified wind speeds - in excess of 148 kilometres an hour. It's supposed to resist that, and we have also tested it with respect to bushfire as well, so it's a good product.

Ms FINLAY - What if they're required to withstand the mechanical reference that you made. My questioning has been more about non-wind events, which is what I'm interested in, which we've been talking about, but this one was in a wind event. With climate resilience we're going to be needing to make sure our assets are able to withstand wind events which will require multiple

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failures along a line. What is the mechanical expectation of those poles? You use the word mechanical, and I'm not sure that's right, but the torque or the pressure, or the whatever.

Mr McGOLDRICK - We are very conscious of climate change of course and the impact it's having on our assets. We're seeking to make our assets more resilient to climate.

Ms FINLAY - What's the unit of measure of the mechanical expectation of the poles?

Mr McGOLDRICK - Just before I get to that detail, we've arranged different options in terms of making our assets more resilient. Certainly, putting in titan poles is one of those, but we also put in a covered conductor so that it is more resistant to vegetation blowing in. We occasionally have a mechanical failure because of a large tree coming in from out of easement, but it's more typically in climate events, and certainly the storm event of October 2024, it was wind-blown vegetation from outside of the easement that was the major cause of failure and the way we were dealing with that is we are putting in a covered conductor on our assets that is more resistant to that. So, that's the approach we're taking, but it's going to take a number of different efforts, both in equipment and in resilience generally, to make sure that we're more resistant to climate events.

Ms FINLAY - You mentioned that it performed due to its specification -

CHAIR - We are going to move on.

Ms FINLAY - You didn't tell me what the specification was.

CHAIR - We will move on because you have had quite a lot of questions.

Mr McGOLDRICK - I'll be happy to give you that specification. I don't have it to hand right now.

Mr BAYLEY - My question is to the chair. Just to confirm, my understanding of the latest cost estimate of the North West Transmission Developments was \$950 million. Your 31 October 2025 North West Transmission Developments stage 1 construction application had a figure of \$970.9 million; but I think I just heard, could you confirm that you just said it was now estimated at \$1.1 billion?

Mr GILL - \$1.122 billion is the net capex which is net of Australian government grants, or \$1.138 billion is the gross capex with a grant on top of that. We've been working pretty hard to get that number as tight as we can get it and we've done it in a two-stage process. We firstly went in for some \$170-ish million, \$151 million with the Australian Energy Regulator to do our early works design. We've engaged GenusPlus Group, the contractor, who is now designing that such that out of that work we can get a tighter estimate of what the project will cost rather than just speculating on the number. As a result of that we are now putting forward this current estimate. We think we're really honing this down to a much more robust estimate.

Mr BAYLEY - \$1.138 billion.

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Mr GILL - Well, \$1.122 billion because we've got a grant.

Mr BAYLEY - And can I just ask, there's the 31 October document that says it is still in the realm of \$950 million; when was that figure landed upon, has it been made public and when did you advise government of it?

Mr WESTENBERG - Minister, if I could just clarify. If you're talking about 31 October this year, that's what we call our CPA 2 application for construction, at \$970 million. That number has been there for a period of time, but I just wanted to clarify, it wasn't CPA 1. The \$1.122 billion, as we said, is a combination of the early works and the construction together.

Mr BAYLEY - So what used to be \$950 million is now 1.1 -

Mr WESTENBERG - \$950 million was back in, I believe, March -

Mr BAYLEY - It's still in the whole-of-state business case for Marinus.

Mr WESTENBERG - Marinus combined?

Mr BAYLEY - The whole-of-state business case.

Mr WESTENBERG - Yes -

Mr DUIGAN - I think that's probably a fair assessment.

Mr BAYLEY - But it's now 1.13, or 1.12.

Mr WESTENBERG - 1.112.

Mr BAYLEY - When was that figure landed on, and when did you notify government about it?

Mr GILL - As Michael said, that's the combination of that early works submission plus now the construction submission. As we said, that's now public. It's now gone to the energy regulator, which you can look up on their website, and that was -

Mr BAYLEY - Have you made a public statement about that at all, that the north-west transmission project has now increased in cost by 16 per cent, from \$950 million to \$1.138 billion?

Mr DUIGAN - Certainly in the FID assessment document, which you would have seen, has those -

Mr BAYLEY - With respect, a public statement: has there been a public statement from either you, minister, or from TasNetworks? Have you put out a media release?

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Mr DUIGAN - That is a publicly-available statement that has those numbers in it. Those numbers were the basis upon which the government made a positive FID, supported by positive FIDs taken by TasNetworks and by Marinus Link, but those numbers were there prior to FID.

Mr BAYLEY - The whole-of-state business case still talked about \$950 million -

Mr DUIGAN - Indeed, but the whole-of-state business case was a point-in-time piece of work done in 2024, toward the middle -

Mr BAYLEY - Minister, can I ask you directly: have you made a public statement in any way, shape or form, in parliament or by media release or by social media, that this project has blown out by 16 per cent?

Mr DUIGAN - I don't accept that characterisation. I have spoken publicly many times about this, and -

Mr BAYLEY - As a \$950 million project?

Mr DUIGAN - I would need to check that, but certainly it's not a number that I am avoiding.

Mr Di FALCO - Minister, when was the last systems upgrade for early-fault detection technology, and what new investment in technology is occurring to ensure that we minimise the risk of incidents causing bushfires and other power outages?

Mr DUIGAN - That's a good question, thank you, Mr Di Falco. I will defer to the experts shortly, but I would point to particularly work that's being done around some of those more rural feeders - you know, the Waterhouse Road, into New Norfolk and places like that - where you have those long feeders, the Tasman Peninsula as well - and work that is being done to provide some resilience around those, given they are long stretches of distribution that go in through heavily-wooded areas, I believe it's an area of particular focus, but with that said, I will pass to the chair or the CEO.

Mr GILL - Thank you for the question. Bushfire risk is a really big issue for TasNetworks to be concerned about. First of all, by making sure that the vegetation easements are cleared, we spend a large proportion of our annual operating costs clearing vegetation. You could in fact consider that we're more a vegetation manager than we are an electrical provider because it's such a large concern across the network, both to avoid damage but also to avoid bushfire risk. Every year as we enter the summer season, our alert on bushfire risk goes up substantially. So, we've done a lot; we've connected in over many years with the Victorians, who are equally attuned to bushfire risk. I will let Seán pick up on some of the technologies and ideas that we're using in order to minimise bushfire risk.

Mr McGOLDRICK - So first of all, in general terms we constantly monitor our electric system. We've a system control and data-acquisition network, basically telecommunications that operate at very fast speed that monitor the continuity of our network. If a fault occurs it becomes instantly visible to people in our control centre. That allows us to monitor the reliability of our

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network. It's a very modern system with modern platforms and protection devices. It's what's known as a secondary system. The primary system transfers the energy, the secondary system is essentially a telecommunications network that monitors the network and if there's any loss of supply, that becomes instantly available and we can switch to an alternate route in many cases, especially on the transmission system. That's the general philosophy we have in common with many power networks around the world. That allows us to have the extremely high availability, safely, of our power system and electricity that we all enjoy here in in Tasmania. We continually invest in that. We invest in the technology. We invest in the platform, the software and we invest in training of our staff. That's critical for our reliability and safety.

With respect specifically to bushfire, we are members of various different peak bodies who share our concern on bushfire, and we're always looking for different ways to monitor bushfire and to make sure that we are resilient in that regard. One of the latest efforts we've been involved in is the Disaster SMART Tasmanian Communities effort, where we used the LiDAR map of the vegetation and topography, especially around Hobart. We worked with various different sensors, moisture sensors, smoke detectors, temperature sensors that are dotted around the Hobart region, and we link this together into a network that allows us to monitor for not just an event of a bushfire, but increasing risk that this might occur. Once we detect that the risk is above a certain level, there's additional measures we can take to inhibit any potential bushfire caused from electricity assets. It's an area of research that we're also working on with UTAS and other academic providers around the nation. It's quite important for safety and reliability, two of our core responsibilities that we have a modern network that serves us reliably but also safely.

Mr GARLAND - Have there been any private landowners who are set to host new or upgraded transmission towers or lines on their property as part of the North West Transmission Developments TPC permit, where there has been no contact achieved, either by phone, in writing or in person by TasNetworks, and if so, how many are involved with it?

Mr Mc GOLDRICK - To the best of my, my knowledge, Mr Garland, we have contacted everybody along the route, all of the landowners. We've used a variety of different methods, both in person and also telecommunication, but also written communication. We've written out to everybody. The vast majority of people have acknowledged that and have worked with us. As I've mentioned, 96 per cent of the private landowners and all of the public landowners have given us access to properties so that we can work on. There's a small number of 4 per cent who have not, but we have endeavoured and continue to endeavour to reach out to them, and I would ask them to please respond to us, please come and talk to us because we're very happy to engage to make sure we get the best result for everybody.

Mr SHELTON - Minister, the north-west transmission line has been talked about a fair bit today, and it's a key component of Project Marinus and a huge infrastructure project being undertaken in Tasmania. Noting this, can you please outline what governance structure is in place within the project to ensure a strong delivery?

Mr DUIGAN - Thank you. It is an important question because the NWTD is where Marinus Link plugs in and gives us the ability to bring energy onto the island and send energy out, which is the key consideration. My job is to ensure that the roles and responsibilities are clear, and that

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those involved in delivering project Marinus are aware of what they are accountable for, and fit-for-purpose governance and oversight of the project is absolutely paramount. Some of this was outlined in the FID assessment document and I would encourage members who haven't had a good look at that to do so, because it does address a number of these things in detail.

In addition, we have had Wise Lord & Ferguson examine interagency roles and responsibilities, escalation protocols and integration between Marinus Link and the North West Transmission Developments. As I committed in Estimates last week, we will be sharing the Project Marinus governance framework in coming months. However, for the NWTD specifically, TasNetworks is the accountable delivery authority, and perhaps may have something to say on that matter.

Mr GILL - Those of us who have been involved in billion-dollar projects in the past know that yes, team one gets your financial closed[TBC?] position done, but then team two is needed to execute it. In the development process we've had a great, strong team there but, equally, execution is always a major challenge, there are many variables that you have to confront.

We just appointed a new project director, who is a Tasmanian resident, in fact, who will be overseeing the execution of this project. As well as executing it, he's making sure that stakeholders are transparently aware of what we're doing, how the project is going - that's obviously a feature of issues within the Tasmanian environment these days. For that we have great levels, we go all the way from the federal government, Victorian government, Tasmanian government and the Tasmanian community; understanding what's going on when you have a project running 130 km along the north-west of Tasmania, everyone is going to be seeing what's going on.

I will just pass to Chantal, to perhaps give us an idea of how sophisticated this governance process is, as a result.

Ms HOPWOOD - We operate a multitier governance framework for the north-west, which includes multiple tiers of reporting. We report to shareholding ministers, ReCFIT, Treasury and TasNetworks' board. We also have a range of steering committees aligned to the same structure as Project Marinus to ensure alignment across risk, delivery, procurement and landholder relationships as well. That's currently - and as we lead into construction, as Roger noted, we are reviewing our governance structures and they will be further refined.

Ms FINLAY - You talked about the importance of investing in infrastructure upgrades in asset management, and we've talked about the pressure on dividends going forward. Are you having internal conversations, minister? Are you having conversations within government and are there conversations between you, as shareholder minister, and/or within TasNetworks about reprofiling dividend-expectational demands, given that you're in a very heavy capital program at the moment? You said for the two reasons a lower profit reported where you can run your dividends off in the last financial year. What's the current conversation on expectations for dividends, given your core purpose is lowest possible price, and also this massive capital program?

Mr DUIGAN - From a government perspective - the ministerial charter is I think reasonably clear; though I do note the point you are making there, that there is tension between those two

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things, but I don't think that's a bad thing. As we would contemplate this very large capital investment through the North West Transmission Developments and the returns back to TN on that particular piece of infrastructure, it's designed to be a low-cost to customer piece of infrastructure. TasNetworks will see a lower rate of return on that piece of infrastructure, than they would otherwise. Certainly, that's the core narrative for Project Marinus.

This is a project being delivered by three governments at the lowest possible price to the end consumer - for the highest possible benefit at the lowest possible cost. If this was being delivered by the private market, the cost would be substantially higher because there wouldn't be that concessional financing, FFA grants and things of that nature. There is a tension, and we talk often about the operational costs of TN and keeping a lid on these things and we have an expectation that they run the business as a business, but we want to deliver a fair and equitable power price for Tasmanian customers. There is that tension. If the chair has anything he would like to say about conversations that occur within the business and how you manage that tension.

Mr GILL - Minister, that's very much the conversation we've had about this project, which drives - remembering the statement of expectations really is only 24 October when we moved from sustainable financing into the future. This is a strong overlay and we've had a lot of dialogue about what went into this state of our expectations. We were doing toing and froing between us, myself and the minister about this, so that we clearly understand from the board's point of view what is required. That then flows through to our modelling that goes to Treasury, looking ahead our own strategic plans that go out 10 years ahead of us, so that we understand where this goes.

Ms FINLAY - The specific question, then, is: what have you changed? How's that profile, that dividend consideration profile changed, given the change of ministerial direction?

Mr GILL - Remembering also, that even though - you mentioned we're going into a large capital spend. Equally, that capital spend because it's subjected to the regulatory regime in the country, comes with revenue. So it's not unfettered where there's a lot more money going out. It will come with a rate of return overseen by the Australian regulator. That keeps customers closely at heart.

Then you have the government's expectation on doing that. As I said before, we are not going to be a business that's looking for super profits. We are a business that's going to go for modest returns, maximising the benefit to the community of Tasmania because we understand who we're owned by and that's clearly in both our charter and the expectations of what we do, and that's where we will sit.

Ms FINLAY - Minister, can you remind me, there's the Marinus Link, but there's Project Marinus and North West Transmission is part of Project Marinus? Can you remind me why it is that North West Transmission isn't fully funded and Tasmanians are bearing the cost of that? Given that we've just, and I have heard it publicly said before - given that it's been reinforced to the committee that the costs are now up at 1.1 or more and could potentially grow, what protects and buffers Tasmanians from the growth in that cost? And, remind me, why wasn't it advocated that North West Transmission, as part of Project Marinus, be covered in the same way that the Marinus Link is?

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Mr DUGAN - Through my time in this role, I have strenuously advocated for the Australian Government to have more of a role in the North West Transmission Developments and we've seen that through the application of the \$346 million grant, which will bring down that cost.

It's important, though, to recognise that the North West Transmission Developments is an on-island augmentation of Tasmania's transmission assets. It is, at the end of the day, an investment in Tasmania and it will have a number of benefits to our state. It is a great enabler of further generation and load in the state of Tasmania. I take your point, but I would argue that this is good for us and there is a reason that we would seek to do this.

Ms FINLAY - In that answer, the reference to the \$346 million, can you explain to me how and where it's treated in the financials?

Mr DUGAN - It's a grant to TasNetworks, which comes off the RAD -

Ms FINLAY - Where do I find that at the moment?

Mr WESTENBERG - Where do you find it? It's not in the financials at this stage because the grant is future looking. It won't be applicable to TasNetworks until around, I think, 2029.

CHAIR - Last question, Ms Finlay.

Ms FINLAY - So, that's not held in some sort of contingency or future it won't present itself in the books until then? Our forward Estimates go out beyond there though, don't they?

CHAIR - I thought that was the last question, but anyway.

Ms FINLAY - It was the same question. I'm just wondering when I'll see it in the financials.

Mr DUGAN - It would go to TasNetworks. I'm not sure that you see it in -

Mr WESTENBERG - Once the specifics of that grant and the mechanism under the AER is locked down, it will be part of the revenue and the pricing for the North West Transmission Developments as well as what TasNetworks would do with that grant. As an example, we would pay down debt, but we also at the same time will lose revenue, because our regulatory asset base will be reduced by the \$346 million.

Mr DUGAN - And I will just say that the FFA grant website has the details.

Ms FINLAY - Sure. I just wasn't sure where I could see it in our documentation.

Mr BAYLEY - I want to go to dividends as well. I'm not sure whether it's to the minister or the chair, but the Budget and the forward Estimates has got \$13.9 million in this Budget going up to \$60 million, effectively, across the forward Estimates in dividends, tax and rate equivalent income from TasNetworks. Obviously, noting that TasNetworks doesn't expect to return a dividend in the current year because of the storm events we were discussing earlier. I'm interested

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in the calculation of those projections across the forward Estimates in terms of factoring in other natural-disaster-related shocks to your finances and what sort of contingency planning has been done going forward? Obviously, under a changing climate - whether it be flood, fire or storm, these are going to be the new normal. So, how do you factor that into your dividend calculations?

Mr GILL - Your comment about climate change is a big issue for us. We have a very large footprint on the island as we've talked for much of this discussion; it's about what the climate does to the asset capability that we have. When we next go to the Regulator in 2029 where we try to forecast the first five years of 2030, we're going to have to have a good understanding of what those climatic effects will be and there's a base amount which we are able to convince the Regulator to allocate on an annual basis, which is in the order of around \$4 million-ish a year to cover those sort of events.

Mr BAYLEY - Base costs?

Mr GILL - That's minor storm impacts which we will handle.

Mr BAYLEY - \$4 million.

Mr GILL - We don't ask the Regulator to allow us to get more money from the customer, put it away in a piggy-bank for a stormy year. We essentially keep the prices as low as possible, and we then manage our way through the five-year cycle.

The issue that we had in 2024 was a one-in-25-years event, so we're not charging people for those events. We wait until an event like that was to happen and in this particular instance last year, we subsequently went back and said to the Regulator, 'Look, there is a very substantial cost in reparations after that event, and we've sought additional capacity to get more revenue from our customers over the long haul to cover that particular event. So, what you see in the numbers is the base case without major -

Mr BAYLEY - Base case with a \$4 million shock.

Mr GILL - With a \$4 million shock, not a \$20 million shock. That's how we deal with it. So, from time to time, we will either take the hit ourselves and dividends will go down or we will go to the Regulator and say, we really need more money from our customer base, we need to charge for it.' Last year was the first time TasNetworks went back to the regulator and said, 'We can't wear it, otherwise we will essentially wear a lower return because we want to try to manage this lowest possible prices approach.'

Mr BAYLEY - Quickly, I want to go back to Marinus and understand the budget implications. This is to you, minister. The whole-of-state business case - and I think in Estimates last year we talked about the \$103.5 million to make TasNetworks whole for your previous investments in that development. The whole-of-state business case talks about a post-FID equity contribution totalling \$106 million for Marinus Link Pty Ltd may be required from Tasmania. I note the Budget has equity investments in Marinus Link Pty Ltd of \$69.1 million across the forward Estimates - so 2026-27, 2027-28, 2028-29, and indeed 2025. Can you just talk us through

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those figures? I'm just struggling to understand. What I was told last year was, we've put in \$103 million, that's it, we're not going to have to put in anything more. There's now a \$106 million figure and then this \$276 million-plus figure in the budget

Mr DUIGAN - You may recall that, as of last year, we were a 17.5 per cent equity holder in Marinus Link and that \$103.5 million that you mentioned was recognition of - was money that had been spent by TasNetworks, when it was the sole proprietor of Marinus Link. When it became a tripartite organisation, that 103 was recognised as equity already committed by Tasmania. Through the renegotiation just ahead of the FID decision, we negotiated with the Commonwealth to cap Tasmania's equity position at \$103.5 million, which would see overtime, as further equity calls were made, our level of equity reduce but no further equity be committed from Tasmania. Those equity calls would be met by the Commonwealth and by Victoria, so for Marinus Link, no further equity. Importantly, we retain a number of reserve rights and a seat at the board, but no further equity. For the North West Transmission Development, I think originally in the previous budget that didn't pass, there was \$198 million in that -

Mr BAYLEY - 191 this year.

Mr DUIGAN - 191 this year, which represents the 16 per cent equity required for the build-out.

Mr BAYLEY - Sorry, what then is the \$69.1 million annually across the forward Estimates for Marinus Link Pty Ltd in the Budget? Other equity investments as at June 30.

Mr DUIGAN - Very good question.

Ms HOPWOOD - What page?

Mr BAYLEY - Page 187, on budget paper 1.

Mr DUIGAN - Let me get that for you - whether that's a split of the 191 -

Mr BAYLEY - No, it doesn't seem to add up, in that context. Maybe, could you take it on notice?

Mr DUIGAN - Yes, we will find that.

Ms JOHNSTON - Chair, the Auditor-General's report recently queried executive payouts to TasNetworks' executives in particular and noted that in 2025 there was \$946,000 in executive payout termination benefits and in the previous year \$1.4 million. That's a significant amount of money. The annual report of TasNetworks says it complied with guidelines, with exception of two variations, confidentiality and termination provisions contained in executive contracts. What exactly were the noncompliant clauses and who approved them? Did the Treasurer approve any variations of the standard executives' contract terms, and has TasNetworks amended executive contract templates, so that the breach does not reoccur?

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Mr GILL - The background to this is the very substantial transformation program that TasNetworks has been undertaking over the last three years, where we've substantially reduced the non-field staff and there's been a great deal of reorganisation, including at the executive level of the company. The primary purpose of that is to get ourselves match fit, so that we're ready to take on these activities that we've been discussing this morning.

In that process, we've come across a number of legacy contracts that have been in place as the electricity industry in Tasmania has evolved from Hydro Tasmania, through the disaggregation process and then, ultimately, to us. Those legacy arrangements are now completed. We don't have those contracts anymore. I will let our executive people give you some of the precise detail that you asked for about those.

Ms ANDERSON - Through you, minister, and as the chair mentioned, we did inherit a number of legacy contracts, which had preserved entitlements that had been accrued over a number of years. We no longer have any of those entitlements left in our existing contracts. In terms of the termination and confidentiality clauses, they're not a breach of the government REM guidelines, it's just from a commercial perspective - sometimes our confidentiality and termination clauses are a little bit different to what would perhaps be in a State Service contract. Those contracts have all been drafted by external legal people, and they are reviewed as part of our annual audit process and approved through our people and remuneration committee, and they are all standard contracts now.

Ms JOHNSTON - So those concerns raised by the Auditor-General shouldn't occur again?

Ms ANDERSON - No.

Mr Di FALCO - What's the height of the tallest new transmission towers compared to the existing infrastructure? What is the viability of underground transmission lines versus towers? Has this been explored?

Mr DUIGAN - Thank you. For exact detail on the height of the new towers, I will pass to the business.

Certainly, undergrounding is one of those topics that comes up fairly regularly, particularly when you're talking to landholders. It is, as I am advised, a great deal more expensive - in the realm of eight times more expensive, I think I have been told. I know there are a number of opinions about that, but it is substantially more expensive and doesn't come without its own set of challenges for landowners either. It's certainly not a matter of 'bury it and forget' about a 220 kV transmission line. It is a substantial impact on a piece of land either way.

In terms of height of our new transmission towers - I guess you're talking mostly about the North West TD? Seán, I'm sure, would have that level of detail.

Mr McGOLDRICK - Minister, we're just getting the exact height for the tallest tower that we've planned at the moment. That, of course, is part of our submission to the TPC. I want to

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explain why we have taller towers, as well. I think it's important for people to realise, and there are some benefits.

The taller towers, first of all, are high voltage - 220,000 volts - so, we have minimum ground clearance. It can be higher than the low-voltage distribution network, and is higher than the 110 kV and so on system that people would be familiar with. Of necessity for safety, they have to be higher.

We also have an advantage there, because it allows us to span. We've created some taller towers replacing existing infrastructure that allows us to minimise the number of structures. We have worked very hard with landowners to position those structures but also to remove existing structures and to minimise the number of structures. We've reduced - again, one of the team will give the figure in a moment - but we've reduced the number of structures. So, while they are taller and certainly they will be more visible, it has an advantage in that is to reduce number of structures.

We will be happy to give you the number of structures reduced and, indeed, the height.

Mr WESTENBERG - We will get back to you on that.

Mr McGOLDRICK - Yes, they're both coming.

Mr DUIGAN - Chair, just before - to interrupt Mr Shelton, I believe we do have the answer to Mr Bayley's question around that line in the budget. Oh, the earlier questions - I beg your pardon.

Ms HOPWOOD - I have a response in respect to when we made a public announcement of the change to the costs of Project Marinus in its totality. There was a press release on 11 July 2025; it was a joint between Project Marinus and the North West Transmission. It outlined the costs to North West TD of the \$1.1 billion as we discussed before, and it also provided an update in terms of what we have calculated for the net benefit of that project.

We did a release of the regulatory investment test for transmission and noted that with the increase in cost to both North West Transmission and Marinus, there's still a \$3 billion net benefit associated with that project. So, that was outlined at that point in time.

Mr BAYLEY - Thank you.

Mr SHELTON - Minister, you mentioned the \$346 million through the grant for the North West Transmission Developments from the federal government, which will be administered through the Clean Energy Finance Corporation. Can you please explain how that works and how those benefits will flow through to the customer?

Mr DUIGAN - Thank you, Mr Shelton. Yes, I can. I can do it, but there's probably someone who can do it more succinctly and accurately than I can.

Essentially, it is an amount of money that is applied to the asset base that TasNetworks hold, that then lowers the amount that TasNetworks needs to recoup from its asset base. As I'm advised,

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that would be a circa \$15 million in 2024 dollars, a \$15-million reduction in the amount of cost that would need to be recovered from customers ongoing for the life of the asset.

Happy to have someone else have a crack at that?

Mr WESTENBERG - If I could just clarify that question - because we do have the \$346 million grant, which obviously the minister's just answered. That is separate to the concessional finance agreements put in place with the Clean Energy Finance Corporation.

There will, in the end, be two mechanisms. Both of those will be with the AER and their role is to ensure the facilitation of that concessionality is appropriately provided back to the Tasmanian community.

Ms FINLAY - Minister, I want to go to the policy around direct connected customers and the no-paying of the transmission increases. In your introduction you spoke about that. Is that a concrete position, do you have a published policy paper on that, and what will it require in terms of instruments to implement?

Mr DUIGAN - Look, it's a policy position that we have and we have made those commitments. No impacts as a result of Project Marinus and that's the position of the government. We've also committed to a pricing review across the broader pricing landscape for energy in Tasmania, noting that there are a number of things that will be different in a post-Marinus world. We understand that there is a little bit of time to elapse between now and then and we will come to a better understanding of what those things might look like as various projects crystallise in the state. But those are the two policy positions that we've committed to on the result of taking a positive FID for Project Marinus.

Ms FINLAY - And beyond the statement that you made around that policy position, have you got a more sophisticated published document around that? I suppose I'm, no?

Mr DUIGAN - No, it's a piece of work that we need to do and what the mechanism will be to derive those offsets because there will be a level of mitigation provided to those businesses.

Ms FINLAY - I'm interested, as an example, with the early works on the North West Transmission Developments part of Project Marinus. They're real now so how will you apply that policy to that, to those early works?

Mr DUIGAN - Well, that's something that we need to deal with and are aware of those cost impacts that will be starting to flow in a relatively short period of time.

Ms FINLAY - So, when will you deal with that?

Mr DUIGAN - It's work that we're doing.

Ms FINLAY - This is actually an exchange of questions and answers for clarity so the early works on North West Transmission Developments are real.

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Mr DUIGAN - Yep.

Ms FINLAY - The policy commitment, you said, is real?

Mr DUIGAN - Yep.

Ms FINLAY - By what time period do you expect that you will have a concrete published position on how that transmission offset will work, and for how long, how will that work?

Mr DUIGAN - As I say, that's a piece of work that is being done through consultation with TN, through work with ReCFIT and we will have more to say on that, but both of those positions are known -

Ms FINLAY - So, no direct customer will experience any increase as a result of the early works of North West Transmission Developments?

Mr DUIGAN - We have made commitments around direct connected transmission customers being shielded from the impacts of Project Marinus.

Ms FINLAY - Can I ask the question in a different way?

CHAIR - No, we'll move on.

Mr BAYLEY - Chair, thank you. On the back of Mr Shelton's question around the grant and the \$15 million reduction in revenue, or the need to recover revenue, can I just go back to where I started in terms of the cost to Tasmanians of the North West Transmission Developments and Marinus Link projects? That \$15 million reduction takes the \$120 million allowable revenue for TasNetworks down to \$105 million. Is that correct? So, to recover from the Tasmanian customer for North West Transmission Developments, it will be \$105 million a year, taking into account that \$15 million reduction.

Mr WESTENBERG - Just coming back to you with those numbers in revenue terms, it is

Mr BAYLEY - Revenue terms - just for those listening and for the benefit of the *Hansard* - revenue terms for TasNetworks is cost to the Tasmanian customer. Is that correct?

Mr WESTENBERG - That's correct. Thank you.

Mr DUIGAN - Thank you, and I have here.

Mr BAYLEY - Sorry, minister, the figures were just about to come, I think.

Mr WESTENBERG - It just depends on what year you're talking about for a start. Is it over the average life of the project that you're looking at?

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Mr BAYLEY - Over the 60 years. Yes.

Mr WESTENBERG - All I can probably give you are best estimates at this point is in 31-32, we estimate that to only be around \$25 million in revenue increase. I don't have it for the rest of the project at this point, but it's not something that increases dramatically over time, but it does obviously increase over time.

Mr BAYLEY - It's been assessed by the regulator at \$120 million is the allowable revenue you can charge for Northwest Transmission Developments; that's not the case?

Mr WESTENBERG - No. We haven't had a determination yet from the regulator in relation to what -

Mr BAYLEY - Again, just coming back to the start - the cable component, the Marinus Link component of it that you would need to charge Tasmanians, or revenue that you would earn?

Mr WESTENBERG - We don't have any modelling, sorry, I don't have the numbers for the Marinus Link. As our role, if we were appointed as the coordinating network service provider, we would need to pass on appropriate costs from Marinus, whatever they are, as well as potentially Basslink if it becomes regulated.

Ms HOPWOOD - I will just add, the revenue component for Marinus Link as it stands, is currently being assessed by the Australian Energy Regulator, at the moment.

Mr DUIGAN - Thank you. Mr Bayley, yes, I believe the number you referred to back in the budget paper is booking the final element of the \$103.5 million spent as equity. That is, the full \$103 million was fully recognised at FID. However, if that's not a correct reading of the budget papers, I will update the committee in writing, but I confirm that there will be no further funding toward the construction of Marinus Link from the Tasmanian government, beyond the \$103 million already spent.

Mr BAYLEY - Thank you. Just for clarity, what I'm seeking is clarity on what's on page 187 of budget paper 1 - \$69.1 million a year across the forward Estimates, including this year.

Mr DUIGAN - It's a one-off recognition of equity, as I'm advised.

Mr BAYLEY - Meaning a financial payment by Tasmania, or is this an accounting 'figment'?

Mr DUIGAN - I believe it is an accounting fig -

Ms FINLAY - You're not going to use the word 'figment', are you minister?

Mr DUIGAN - Yes. An accounting treatment.

Mr BAYLEY - Treatment. Fair enough.

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Mr DUIGAN - I believe, but -

Mr BAYLEY - If you have any explanation, that something in writing would be appreciated, in terms of what exactly it means.

Mr DUIGAN - Yes.

Mr BAYLEY - I appreciate that.

Mr DUIGAN - I'm surprised I haven't had that question before.

Mr GARLAND - The FID assessment report says that:

Forecast losses for TasNetworks from the Northwest Transmission Developments can be reduced by passing on less of the concessional financing benefit to customers, or via increased revenue recovery in the early stages of the project. Both of which will increase power bills.

The FID assessment report recommended these options be reviewed in the lead up to financial close in February to understand the impact on customers of improving the outcome for a future government. What can you tell us about whether TasNetworks will be pursuing either of those options?

Mr DUIGAN - Well, certainly from the Energy portfolio, it is our expectation that the concessional nature of the arrangements is passed through to customers. But in terms of where TasNetworks finds itself in all of this, I'm happy to pass to the chair.

Mr GILL - Thank you. Remembering that financial close now for us - so we went from the decision to move forward, that then initiated Marinus, the project. However, the financial close for us is March next year, because we wanted to work hard on getting this total capital cost nailed down, so we understood exactly what the impact would be.

Following up on the question that you've just developed, we're in the process now of finalising those - our modelling continues, but we are obligated to pass through the concessional findings from [inaudible] to customers. We won't be keeping those benefits in-house, they are for customers, that's how it was negotiated, that's the arrangement and that's part of the regulator's oversight that ensures us doing that.

I will pass to Michael, because he is doing some of the modelling on this, to give you a bit of a sense of just where we are at on that. We are not fully completed, and it hasn't come back to the board yet for the final sign-off.

Mr WESTENBERG - As we mentioned before, and as the chair mentioned, we are obligated once the concessional mechanism is fully locked in, we will submit a concessional finance agreement to the AER as we have done for the CPA 1 early works, and we will be held to that. The AER's role is to facilitate that concessionality. In relation to those two points that you

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raised, the challenge and the work that we've been doing leading up to our financial investment decision is to find the right balance between negative cash flows in the early years and the price that the Tasmanian community can or should be able to pay for that.

We are looking at that to ensure that the that balance is correct and, as the chair has rightly pointed out with our statement of expectations, that information will go to the board and they will make an assessment on the range of returns. Those range of returns will still be substantially less than any commercial return and ensuring the CFC are very clear in their contractual work, that all of the benefits of the low-debt loan is passed on to the Tasmanian community. It's just in relation to the depreciation in early years and those impacts that we need to balance up.

Mr GARLAND - You talked about the greenfield, is it correct that the greenfield lines are between East Cam and Highclere and Stowport to Heybridge, and that this represents about 11 to 12 per cent of the of the total length of stage 1?

Mr DUIGAN - Again, I will pass to the CEO for that level of detail. That's certainly not in line with advice that has been given to me in terms of the quantum of greenfield.

Mr McGOLDRICK - I'm happy to let you know that, in stage 1, we have three kilometres of greenfield build. All the rest is replacing existing ageing infrastructure and, in fact, what we are doing is not only replacing the ageing infrastructure, reducing the number of structures, but also we are reducing the total number of easements down to 15 per cent, but that's all the brownfield work. The pure greenfield work is only 3 kilometres of the 130 kilometres of the route, so it's a very minor part relative to many other infrastructure developments you would see elsewhere in the country.

Mr GARLAND - Thank you.

Mr SHELTON - Along with the last question, which went towards what benefits for the consumers are out there, the renewable energy industry provides a lot of opportunities and benefits for Tasmanians as a whole. As part of sharing these benefits, our governments made an election commitment to develop a renewable energy community benefit scheme. With major works planned by TasNetworks in the coming years, what actions are they taking to align with our government's intent to see the benefits of renewable energy projects felt by the communities that host that infrastructure.

Mr DUIGAN - Thank you, Mr Shelton. It's an ever-more pressing question I think, how we better share and distribute the benefits and the impacts of our energy build-out. I would certainly point to the compensation and other payments being made, say for example, to landholders along the North West Transmission Developments route, excluding everything else, the amount of compensation flowing into that region of Tasmania is very substantial. You know, tens and tens of millions of dollars.

By no other mechanism other than fair and reasonable compensation, people will share in the benefits of renewable energy, but I'm happy to pass to Seán to further fill that one out.

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Mr McGOLDRICK - In terms of compensation, we estimate at the moment that landowners will share \$71 million-worth of *Land Acquisition Act 1993* payments, as they are entitled to. Strategic benefit payments will total a further \$38 million, so that's a very substantial compensation for those farmers and landowners who sign up by 1 December and the community, the wider community, will benefit to the tune of \$10 million over the coming years where we have co-designed with the community a benefit-sharing scheme that will impact the wider community beyond land owners, so that they can see benefit from this project in their region.

Mr SHELTON - Okay. You mentioned land acquisition and the minister has said easement acquisition, and so I think it is a little bit, from a community point of view, when we talk about land acquisition, it actually isn't.

Mr DUIGAN - No, that's exactly right. We are not interested in acquiring anyone's land; we simply need an easement through it in order to place the towers.

Mr McGOLDRICK - I'm sorry for misleading. I was referring to the LAA act of 1993. That's the heads of compensation.

Mr DUIGAN - That's the mechanism by which the compensation is derived.

Ms FINLAY - Thanks for clarifying, minister, around the early works for North West Transmission. I'm interested in the lift in transmission as a result of Basslink, when that becomes regulated, and I am wondering whether your policy sits across that increase in transmission to direct-connected customers as well.

Mr DUIGAN - I certainly haven't made the same sort of commitment around Basslink, though I understand, should Basslink become regulated - which is certainly the position supported by the government because for all of its life - Tasmania and Tasmanians have borne all of the cost of Basslink and so the current proposal which would see Basslink regulated, would see 75 per cent of the costs borne by Victorian customers, and we think that's more than fair and reasonable; in fact, I would like to see it higher than that, but anyway, we are where we are and indeed, there are likely to be transmission impacts with that. We're not entirely sure of the exact quantum because of the regulatory process that we are going through, but it would be fair to say there would be transmission impacts because of that decision specifically.

Ms FINLAY - The first question is, specifically, will your policy -

Mr DUIGAN - I think I said that it doesn't extend to that.

Ms FINLAY - So it's a no?

Mr DUIGAN - Certainly, at this stage, it's not something you'd put a line through, but the Marinus policy position has been made specifically to Project Marinus and hasn't included Basslink regulation at this point.

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Ms DOW - Thank you. Minister, I'm wondering if you can explain the treatment of the transmission that is being upgraded as a result of the Northern Midlands solar farm and how that compares to the treatment for the North West Transmission Developments stage 1 upgrades? One, how are you treating those upgrades; and two, whether the same strategic benefit payments and other associated supports are coming with that? That's the first part of the question. The second question is: what are you as a government doing to support the Northern Midlands solar farm with the cost of transmission to ensure that the project gets up and delivered?

Mr DUIGAN - Thank you. I'm very happy, because there is a level of detail in that, but a first point I would make: strategic benefits payments are only applicable to projects which are contained within the ISP, the integrated system plan, so at this stage this would be external to the application of strategic benefit payments, and I think we probably need to be a bit clear-eyed about how deep we go with that because it adds cost, and I believe TasRex has been dealing with its land owners in terms of getting its project to the network. Obviously the government is supportive of the project. We are supportive of the fact that Hydro has partnered with TasRex to provide a PPA for that and obviously TasNetworks has been instrumental in the conversation of how we bring it to market and -

Ms FINLAY - I'm interested in that: the treatment of the transmission and then the support for the transmission to them.

Mr GILL - And remembering, of course, that we are subject to the national electricity rules, which are formulated for such - right across the country, new generation coming into the grid, and so, I will pass to Seán in relation to those rules, of which he is an expert.

Mr McGOLDRICK - And I am, but I am conscious of an even greater expert at the end of the table who has been dealing directly with the TasRex team and trying to bring this to market, Chantal.

Ms HOPWOOD - Okay, thank you. TasRex is developing a 288-megawatt solar farm, as you noted, and they are currently facilitating negotiations with land owners, as noted, and it will not be subject to strategic benefit payments, that's not part of the optimal development path under the ISP. As for the transmission aspects itself, we're looking to have the existing Palmerston-Avoca 110 kV circuit, and we will have a dedicated new 220 kV service for that connection to Palmerston. We have a current line there that is in our prescribed asset base, which is paid for by the general customer base. It is coming towards end of life, so, our support for this project is bringing forward the present value of the future cost of replacing that. It's only the incremental cost our customers will pay; that will assist TasRex in developing that line for connection, and we have in-principle agreement of that approach with TasRex and we are currently working through the commercial arrangements. We are very cognisant of the February financial close date and really conscious of ensuring that these arrangements are in place to support connection.

Mr WESTENBERG - Through the minister: I will just add that the investment that Chantal just mentioned will be covered through our normal transmission capital allowance.

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Mr BAYLEY - My question is to the Chair. Chair, in relation to north-west transmission line, we've had advocacy from some land owners that have raised concerns that known endangered and threatened species on their properties haven't been properly detected by the environmental assessors that you've engaged. For the purpose of the committee, are you able to table the full list of Tasmanian and EPBC-listed species that have been identified along the line and where they have been identified?

Mr GILL - In the broad, our organisation across Tasmania is very focused on managing issues in relation to, in particular, endangered species. Eagles come to mind, are front of mind for the business across the whole.

Mr BAYLEY - In terms of interactions.

Mr GILL - Correct. So as a subset of our new planning arrangements we've got a lot of capability inside the business and we extend out to a number of other organisations to help us on this. I'll pass to Seán in relation to what we've got in our planning solutions.

Mr McGOLDRICK - For sure, and of course that's in our planning submission that we made to the TPC that was on public exhibition. We're engaging currently with the TPC to make sure that we get our permits in a timely fashion. It will then become a matter for the federal approvals, but they've aligned their processes. We've been engaging on country on this matter for the last four years. If any landowner is aware of any endangered species that we have not put into our submission, we'd be more than interested to hear about that. I believe that that's unlikely, but it's not impossible of course. But our sole goal here would be to minimise and mitigate any impact on any endangered species so information is key in that regard. I'd ask those land owners to contact us directly so that we can deal with that matter as quickly as possible.

Mr BAYLEY - So what's on the record in terms of the planning commission application is up to date in terms of Tasmanian species and EPBC-listed species, effectively to come?

Mr McGOLDRICK -Yes, that we have detected, but landowners know their land better than anybody else and I'd be very open to listening to that. I'd please encourage them to reach out to us.

Mr BAYLEY - Thank you, and Chair, a follow-up in relation to Ms Johnston's questions around termination payments: we understand that there was a new company strategy in 2022 and you've had new contracts being signed, Obviously, the Auditor-General raised some concerns. What looked concerning, and I quote:

TasNetworks has the highest single termination payment: \$711,000.

TasNetworks had the highest average termination payment: \$296,500.

I'm just interested in what the different is in your contracts compared to other GBEs that provide for these large termination payments? And as Chair, and perhaps through the minister, do you find

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this concerning that there are payments being paid to executives that seem out of line with other government businesses?

Mr DUIGAN - Certainly, from my perspective we are very focused on the efficient running of the business and would see executive remuneration very much part of that. I note that the particular set of circumstances we're dealing with here does include something of an outlier and a legacy contract which has a very large number attributed to it, but to speak more broadly and about the current circumstance, perhaps the business could provide some detail there.

Mr GILL - Thank you, and we recognise that they are large payments, but they do recognise a very long service in the electricity supply industry and partly it came from when, back in 1998 or so, when we desegregated the Hydro-Electric Commission then, many of the redundancy provisions rolled through from one organisation to another organisation, and they have translated into those individuals being inside TasNetworks when we had gone through a restructuring process and we therefore had to honour those obligations which were the sort of contracted obligations. We were the ones that dealt to that but we can, as we have assured you before, those legacy provisions are not part of the ongoing arrangements in our organisation. They were a part of that disaggregation process that had occurred here back in the 90s.

Mr BAYLEY - And just in relation to oversight, the audit office was very clear in noting the results and it said that their audit:

... raises significant questions as to the level of variation in key management personnel contracts in relation to the calculation of termination payments and the level of oversight in the development and approval of these contracts.

Can you outline the level of oversight that there was in the development of those contracts and what there is ongoing with new contracts?

Mr GILL - We have within our organisation two committees of the board: one audit and risk committee and one people and culture committee, and it's that people and culture committee that I am also a member of that directly oversees the remuneration policy, the structure of contracts, all of that is inside that subcommittee. So we spend a lot of time at the detail level working through that. These particular matters were something that I took oversight of personally and so I'm aware of the arrangements. In particular, what I can say is those legacy arrangements aren't part of the contractual position that's going forward and I might get people in executive to just clarify any details that I might have not dug down into.

Ms ANDERSON - Outside of those legacy-preserved entitlements, we now have a more contemporary executive contract template. That's been drafted by an external lawyer and it gets approved through our people and remuneration committee as part of their charter. A number of those contracts were also reviewed as part of our annual audit process, particularly given those legacy entitlements that were in place.

Mr BAYLEY - It's a standard contract, is it, now?

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Ms ANDERSON - It is, yes.

Mr BAYLEY - Are you able to table a version of it?

Ms ANDERSON - Yes.

Mr GARLAND - Now that you've found a head contractor to do the North West Transmission Developments, can you confirm how many people will be employed in the construction phase and what percentage will be fly in, fly out?

Mr GILL - Thank you for the question. Yes, and that contractor is Genus, who is doing all this preliminary design work and we are spending a lot of time working with them. We do have a sort of minimum expectations and as a result of the design, we're now getting a better understanding of just who will be required, the sort of expertise that we need to build it, and I will pass to Seán because he has the numbers there.

Mr Mc GOLDRICK - Thank you for the question. So we are very happy to have appointed Genus as our contractor, and we have an engagement plan with them in terms of local content. So in terms of - and you will forgive me, but I need to structure the question to give an accurate answer - so Genus direct labour, so that's employed directly by Genus, there will be between 100 and 110 people, so I am giving you numbers of a slight range because we are obviously working through the detailed plan for the construction phase, which is the major employer, so direct labour employed by Genus, 100-110 people; of that direct labour, 30-40 is our estimate for Tasmanian employees.

In terms of the supply chain, if you will, indirect, so subcontractors working for Genus, in terms of the Genus indirect supply chain at peak, we expect between 250-260 people to be working on the project and on average we expect between 100-140 people to be working. So, it will peak and then there will be an average. Of Tasmanian content, we expect a peak between 225-234 of those 250-260, so the vast majority, and on average between 90-126 of the 100-140: so again, a significant average. We had set minimum targets for both direct employment and indirect employment in our engagement plan that was part of the procurement process, and those have been well exceeded. That's a forecast basis. We will be keeping a close eye on this, because it's part of our commitment to the local community, part of the benefit to the local community. They've well exceeded those minimums that we've set and I'm happy to say that we're comfortable with the plan that's been put in front of us now.

Mr DUIGAN - Chair, as we near the end, I believe TasNetworks has some further information in relation to Ms Finlay's question on poles and Mr di Falco's question on towers.

Ms ANDERSON - Through you, minister: we can table the chart of the unassisted pole failures. So the total number -

CHAIR - Sorry, but perhaps you can provide that at another time. We've finished the time for scrutiny. The time has expired. Before we finish, I'd like to thank everybody for your

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attendance, for guests but also committee members. We will take a break now and return at 2.00 p.m. with Aurora Energy.

The committee suspended from 1.00 p.m. to 2.00 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Irrigation Pty Ltd

Tuesday 25 November 2025

MEMBERS

Ms Helen Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Ms Janie Finlay
Prof George Razay
Mr Mark Shelton

WITNESSES IN ATTENDANCE

Hon. Gavin Pearce MP, Minister for Primary Industries and Water

Mike Sylvester,
CEO, Tasmanian Irrigation Pty Ltd

Kate Vinot
Chair, Tasmanian Irrigation Pty Ltd

Sue Whidborne
Chief Financial Officer, Tasmanian Irrigation Pty Ltd

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THE HOUSE OF ASSEMBLY GOVERNMENT BUSINESS SCRUTINY COMMITTEE MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE HOBART ON TUESDAY, 25 NOVEMBER 2025.

Tasmanian Irrigation Pty Ltd

The committee met at 8.45 a.m.

CHAIR (Ms Burnet) - Good morning, everybody. I welcome the Minister, Chair and CEO to the Committee today, and also welcome the other members of this committee.

The time scheduled for the scrutiny of Tasmanian Irrigation is two hours - well, minus two minutes. As is the practice of the committee, the time taken for any breaks will not be added to the time for scrutiny. So, I don't intend to take a dedicated break, but yell out if you need one. Members and witnesses are welcome to help themselves to tea and coffee throughout the day and take any other appropriate breaks as necessary, please. Members would be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or the chair of the board and the questions handed in writing to the Secretary - Fiona, in this instance.

I invite the minister to introduce any other persons at the table, including names and positions - and minister, if you'd like to make an opening statement? Thank you very much.

Mr PEARCE - Thank you, Chair, and good morning to the committee. It gives me great pleasure to introduce, on my left, the Chair of Tasmanian Irrigation, Kate Vinot; on my right, Mike Sylvester, the CEO. To his right is Sue Whidborne, the Chief Financial Officer.

In terms of opening comments, Chair, most people in this room will have heard me say many times before that I have an enormous passion for agriculture. My family has been farming in Tasmania since the mid-1800s, and I continue that farming vocation. Farming is in my DNA. I understand what it means to work on a farm. I understand the struggles involved. I understand what it's like to borrow money and employ people.

I think this is one reason I am such a strong supporter of irrigation. Put simply, irrigation unlocks potential. It mitigates the risk for farmers, and in agriculture more generally. That's why the work of Tasmanian Irrigation is central to the government's AgriVision target to increase farm gate values to \$10 billion by 2050.

The sustainable growth of the Tasmanian farming sector is occurring in lockstep with building increased capacity in Tasmanian Irrigation's network and irrigation schemes across the state.

Farming businesses are increasingly dependent on the high reliability of water supplied by Tasmanian Irrigation (TI). We are shaping up, for the third year in a row, of record water delivery to farmers over the summer irrigation season. With reliable access to water, those irrigators diversify into higher-value land uses, and they intensify their operations, they increase yield and product quality, and they have the confidence to enter valuable supply contracts.

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With reliable access to water, farmers can also build resilience in their own operations in the face of a drying climate. With reliable access to water, Tasmanian farmers position the state as an important contributor to the national food security.

When farmers thrive, communities thrive. That's why I'm pleased to report on the progress made by TI over the past year. That progress includes advancing construction on the Northern Midlands Irrigation Scheme (NMIS), which I was delighted to recently visit. I'd seen firsthand that new dam and met some of the project team. It was great to get that grassroots feedback. My congratulations to everybody involved in that particular project and the delivery of that important irrigation scheme, which will bring 25,500 megalitres of water to nearly 9000 hectares of farmland.

Three more important projects were also progressed during the year. Federal environmental approval was secured for the Sassafras Wesley Vale augmentation project. A preliminary business case has been completed for the Tamar Water Scheme, which would supply water for agriculture and for a hydrogen industry at Bell Bay. Early work is under way on the Greater South East Irrigation Scheme.

In combination, these projects will deliver more than 78,000 megalitres of highly reliable irrigation water to more than 600 irrigators. They join a network of schemes that continues to operate year in, year out, with a high degree of reliability, ensuring that water is delivered when and where it is needed.

I'm pleased to report that almost all irrigation schemes opened with their full allocation. Tasmanian Irrigation has responded flexibly to meeting customer needs by opening season early or extending the end of the season, where the scheme design makes it possible. This level of responsiveness enables irrigators to continue production and to finish crops through what was, in some areas and extended, and unseasonably dry autumn and early winter.

There is no question about the value of reliable irrigation in a drying climate. Without access to this water, farmers face reduced yields, crop failure, selling of livestock, and reduced revenue. The economic outcomes are bad for farms, bad for communities, and bad for Tasmania.

The Tasmanian Government remains committed to the development of irrigation schemes in areas of demand and where broad value will be delivered to the state. I'm pleased to report that the company achieved an underlying operating surplus in 2023-24, although the net result was a loss after impairment of a non-current asset adjustment, the majority of which related to capital works from the Northern Midlands Irrigation Scheme and the augmentation of the Greater Meander scheme.

I note that the company continues to pursue strategies that will ensure its financial sustainability into the future, and I look forward to working in partnership with TI to deliver high-value irrigation schemes not just for farmers but for all Tasmanians, by growing our farming sector and continuing on its sustainable growth.

Finally, Chair, I take the opportunity, as I've already done, on congratulating the good work by the board, the chair, the CEO, and all involved in TI. I'm up for any questions.

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Ms FINLAY - Thank you, minister, and welcome. It's nice to have our annual conversation. There'll be no surprise that a couple of the conversations that I want to unpack are around the Tamar scheme and also the Winnaleah community management. I also want to talk about the future of schemes in terms of fit for purpose, your current instruments, and then as schemes get harder, whether you're having internal conversations about how to prepare for future, more tricky schemes.

With the Tamar scheme, off the back of some of our Estimates scrutiny last week I did pose a question to the Energy minister that I'm hoping you can add some clarity to. You said in your introduction that the cost of borrowing money is big for farmers. I know a lot of the farmers on the Tamar scheme actually had quite significant capital improvements before this scheme became an opportunity, so they borrowed for the funds that they had to submit with their expressions of interest. They've been paying interest on that.

The Energy minister indicated to me that, as a measure of good faith, farmers were being offered their money back. In clarifying questions with some of the people who are hoping to be on the scheme, they've said that they've had correspondence that says you might be able to offer it back, but if you do, there's no certainty that you could come back into the scheme in the future.

As a first point of clarification, is someone able to make a comment about the burden on farmers of having to hold funds for so long when it's been such a slow scheme to come out of the ground, and also what the specific is at the moment about managing their funds that are being held?

Mr PEARCE - I thank you for your question. The Tamar Irrigation Scheme is complex, at best. You would be aware and just for the benefit of the remainder of the committee and all those listening in at home that there has been an extremely difficult history leading up to this point. I'm going to hand over in a minute to the CEO and he'll step you through the process in terms of the question you specifically raised around deposits held because we want to be fair with, with farmers. Let me just say, that he'll also - and I'm hoping that Mike, you'll be able to give us a brief background on where that scheme is - the reason for that particular answer to that question, the reason for that, the catalyst for that, the paradigm for that, and where we look forward to going in the future with our farmers in the Tamar.

Mr SYLVESTER - Thank you, minister. I thank the members for the question and through you minister. You know the Tamar Water Scheme is a complex project, as you will know, it started off life as the Tamar Irrigation Scheme. We've been out to water sales twice now. We didn't meet the threshold that was acceptable to develop a standalone scheme, whilst the agriculture benefits were really strong. Legislation was passed in 2023 that enabled Tasmanian Irrigation to develop the project as a broader water scheme and target hydrogen into Bell Bay, which we've done. We've now submitted a preliminary business case to the government that demonstrates really strong economic impacts, but that's not without some significant commercial risks. At the moment, we're in a position where -

Ms FINLAY - Sorry, would you mind if I ask a clarifying question on that? Is that a commercial risk to TI or to the government?

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Mr SYLVESTER - Both. There's a level of acceptance that both TI and the government - and also our customers - need to accept in this scheme, which we're working through at the moment.

With respect to the specificity of your question on water entitlements and holding deposits, I've written to the irrigators personally. I've requested and extended the water entitlement period out to 31 December -

Ms FINLAY - 2025?

Mr SYLVESTER - 2025. That coincides with the timing to enable ReCFIT to get some feedback from the Commonwealth Government about the next steps in relation to hydrogen to confirm demand and the demand curve that we would need to do a design to for that water scheme.

In terms of any customers who withdraw or hand back their water entitlements and not being able to buy back into the scheme, I think they'll have ample opportunity to do that in due course.

If we proceed through the next phase of that project, which will be detailed design and environmental approvals, that stage will take between 24 and 27 months and we'll get to a point about midway through that project where we'll be really clear about what the demands are that we're designing to and that'll be the opportunity then for the water entitlements to be confirmed with irrigators.

Ms FINLAY - Thank you, I appreciate that. For clarification, and there will be people listening and, if not, relying on *Hansard* later. The Energy minister said to me that farmers had a level of comfort that, in good faith, if they sent their deposits back, that was a way to not continue to pay interest and have it held, and they could do other things with it, or whatever.

At no point, however, was it indicated that that would prevent them from being able to maintain their existing interest in their entitlement. Can I just clarify the language with you? Is the offer to farmers that they can continue to secure their current request for entitlement, but until there is a further decision on the scheme, they can pull their funds out? Or are you saying that that would also remove their request for entitlement? So, that's a complete withdrawal from the scheme until a further time that they could re-step into the scheme.

They are quite two different things from the Energy minister and what you're outlining in the letter.

Mr SYLVERSTER - Sure, through you, minister, and I thank the member for the question. The situation with Tamar is no different to the development of any other scheme. We will design to a demand and that demand is committed through pre-sales. Once the demand on any of our schemes is exhausted, there's no opportunity to buy in because there's no more capacity in that scheme. Right here and now, farmers have a choice to withdraw their water entitlements and get their deposits back and use that money for whatever they choose to do.

Ms FINLAY - Okay. But that reduces the number that the scheme is then calculating your decisions on, because they've withdrawn that?

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Mr SYLVESTER - Through you, minister. No, not necessarily. The next stage of this project is to move into the detailed design and environmental approval stage. Midway through that we will go back out to the market and reconfirm the design.

Ms FINLAY - Okay.

Mr SYLVESTER - The sentiment from the irrigators to withdraw their water entitlements is just removing their uncertainty at this point in time because there's no formally binding contract. But, we will revisit the market and provide assurance on that design in due course.

Ms FINLAY - Okay. Thank you. So really, what the Energy minister said was perhaps not correct. If you have the capacity and you want to stay committed to the scheme and keep the numbers there, keep your money in. If you're thinking of maybe fully withdrawing from the scheme and doing something else, you have an opportunity you don't normally have. That's the point where it's different and unique here, that there's this opportunity to withdraw and then you could put back in again later if you wanted to. So, that's the difference here?

Mr SYLVESTER - I'm happy to respond to that, minister, and again, through you, minister. That is the subtlety, at this point in time. Normally, what happens through our water sales process is that the state government and the Australian Government would make a binding commitment at this stage to build a scheme, then we would go into detailed design and environmental approvals with that full commitment. The complexity of this scheme - and it's a scheme that's not yet federally funded as well - is that we don't want to be in a position where we're holding farmers money, their deposits for their water entitlements for the foreseeable future, until we have certainty about the demands that we're building to. In a sense, it is a good faith gesture on our behalf to do that.

CHAIR - Okay. Minister, I'm asking questions on behalf of Ms Badger, who would ordinarily be here. I want to go to the Northern Midlands irrigation scheme. The annual report, on page 50 - and there are footnotes - talks about five *Environment Protection and Biodiversity Conservation Act* (EPBC) nonconformances relating to the Northern Midlands irrigation scheme construction. Could you outline what those five incidents were, please, and the reporting outcome of those breaches?

Mr PEARCE - Yes, Chair, and my regards to Ms Badger and her interest on that. In relation to the EPBC -

CHAIR - I'm sure she's listening, minister.

Mr PEARCE - Yes, sure. In relation to the EPBC delay, project approval under the *Environment Protection and Biodiversity Conservation Act 1999* was received in July 2024. Delays in receiving the permit were due to TI being requested to provide an offset of 17.6 hectares of land due to permanent and temporary impact on denning habitat for the Tasmanian devil, the eastern quoll and the spotted-tail quoll. Delay in the EPBC process resulted in a delay to the planned start of construction and, therefore, completion of the scheme is now scheduled to occur in time for the October 2026 irrigation season.

In terms of operations, I will hand over to Mr Sylvester, and he will outline some of the other issues around the *Environment Protection and Biodiversity Conservation Act*.

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Mr SYLVESTER - Thank you, minister and through you. For the Northern Midlands project, we have very strict environmental guidelines under the EPBC permit conditions for that project. With respect to the five breaches, most of those were concerned with construction machinery, that is, excavators moving outside of the permitted zone. That was encroaching on what was defined as optimal denning habitat for quolls and devils and -

CHAIR - Did you say that they moved outside of the zone?

Mr SYLVESTER - Of the construction -

CHAIR - Did you say that they moved outside of the construction zone?

Mr SYLVESTER - Of the construction corridor.

CHAIR - How did that happen?

Mr SYLVESTER - That happened in just the natural course of moving large machinery around a very tight corridor. To give some perspective to this, we're working on land where farmers drive farming machinery and construction machinery through those very paddocks all day. It is an imposed corridor that we have to work within. Quite ironically, we have cases where the local farmer will come and check on construction progress and drive right through the very area that we're prohibited from being to come and access the work that we -

CHAIR - You have very strict guidelines, might I add, through you minister.

Mr SYLVESTER - Through you, minister, yes. One of the key requirements of the EPBC permit that we have is that we work within that corridor. These permit breaches certainly weren't taken lightly by us. Our general manager, people, culture and sustainability, and broader project team intervened on that. We've written letters of nonconformance to the contractor. We've been very collaborative in restoring good working practices on that site. All five of those permit breaches have been referred back to the EPBC, and they have been investigated with no further action received.

CHAIR - Would you mind, through you, minister, tabling those breaches, please?

Mr SYLVESTER - Through you, minister. That will be fine. We will take that on notice and table those details.

CHAIR - Thank you. There are always good learnings when this kind of thing happens. What is the plan to ensure that this kind of thing doesn't happen again, from the board and the organisation's perspective?

Mr SYLVESTER - Through you, minister. There are numerous learnings around this. One of the learnings that we have - similar to our approach on the Poatina buffer dam - is about the model of early contractor involvement. We have a constructor-only model, which means we do the design and the environmental permitting, then hand that over to a contractor to build. We make our best endeavours to make sure the construction is as practical as possible. Bringing some of those construction insights in early and influencing the way that we shape the permit conditions is really important.

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I think there is another key learning in relation to how we provide oversight over the contractor's subcontractors. A couple of nuances around those permit breaches were just down to communication and getting greater oversight and control of that is another key learning.

CHAIR - It's significant, isn't it?

Mr PEARCE - If I could just add, Chair, to that end, there have been - and I'd like this on the record - that there have been no MNES (Matters of National Environmental Significance) orders issued on that project.

Prof RAZAY - Minister, a business case has been submitted to the government regarding the Tamar Irrigation Scheme. Could you please outline the economic cost benefits for the farmers and the Bell Bay hydrogen hub?

Mr PEARCE - I thank you for your question. It's certainly been front of mind. We've had much discussion in relation to this and also the reliance of the scheme on that particular proportionality of the business case. I will hand it over to Mr Sylvester and he will run you through the hydrolyser and the economic portion of the business case.

Mr SYLVESTER - Thank you, minister and through you. The economics of the combined Tamar water scheme is really strong, and the success of the scheme requires both the irrigation and the industrial components to be successful component. It is unlikely that the economics would be strong in either standalone scheme. Although, whilst they were generally positive, it's the financial business case that really doesn't stack up with the standalone schemes. The agricultural and industrial benefits of the preliminary business case indicate a net present value of \$473 million and benefit-cost ratio of 2.64. Employment creation during construction: we're looking at about 174 full-time equivalent jobs and post construction up to 247.

This is a project that we want to make work. There are very strong economic benefits to the state. As I said in my previous answer, it's not without significant commercial risks that we need to work through.

Prof RAZAY - Can I ask, is this based on if there is enough water for both schemes. The last couple of years we had dry weather. Do we have a contingency plan in case there is a shortage of water for the scheme?

Mr SYLVESTER - Through you, minister. Some of the strength of Tas Irrigation's design and development model is that we build to the demand of the day. We go out for water sales, we confirm that demand and we build to that demand. Some of that strength means that we don't carry a lot of debt as a business associated with unsold water. Some of our more recent schemes do have some latent capacity and it's really important that we continue to build some latent capacity into our schemes for climate resilience. That's a key part of the mandate of our organisation. I think the reality of this scheme and any future schemes is, whilst there might be some latent capacity, it is likely to be little, not a great amount. Thank you.

Mr PEARCE - Can I just clarify, Chair? Just in relation to what we are doing now, and I think that's important given what we've already heard. We have committed to that scheme and we are supportive of getting that going. However, what you've heard is the reality of the situation in front of us. It doesn't stop us there. We are still committed to providing irrigation

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water to farmers in the Tamar. That is our primary role. To that end, we've looked outside the box, outside the square and, if I could just run you through some of those steps.

We recently, three or four weeks ago, had a meeting with Renewables, Climate and Future Industries Tasmania (ReCFIT) - TI and myself. We were exploring some of the federal options around renewable energy grants that we could possibly aim at or take advantage of or avail ourselves of in that particular project, to compensate the hydrolyser aspect of the business case. To that end, ReCFIT have already progressed negotiations and interest with the federal government and the minister, so that is ongoing and I'm happy to report back as soon as we get any information from our federal colleagues.

Mr SHELTON - Before I start, though the minister, I own a property with my brother at Bracknell. My brother runs the farm, we do have a contract with TI to supply irrigation water. Just to get that out there. At the same time, the Northern Midlands scheme travelling from Bracknell down to Hobart - the best way to come is via the back road of Ross and I follow the scheme all the way down and put 700mm, 800mm pipes in the ground and imagine the water carrying capacity of that - it's going to be fantastic for that area, when it's completed and the machinery on the side of the road up and down and so forth.

My interest isn't for that one, it's the Greater South East Irrigation Scheme, which I'm told is going to be the largest scheme that Tasmania has put in. If it's bigger than the couple of schemes that's put in, then it's a substantial irrigation scheme. You mentioned in your introductory speech that talking about that's in the initial stages. Can you enlighten the committee further on the benefits of that scheme and what it will bring to those regions?

Mr PEARCE - Yep, no, brilliant question and I certainly appreciate and acknowledge your service to the agricultural sector over a lifetime. As you noted, the Greater South East will be the largest irrigation project in Tasmania. The largest. It's going to be a game changer. I don't like you using those buzzwords, but it is. It really will change the landscape, in terms of irrigation. In what has traditionally been a drier area of the state - that's coming from the north-west - we want to remedy that.

I'm pleased to advise the committee that highly qualified international dam and water project manager Andrew Pattle has joined TI to lead the development Greater South East Irrigation Scheme. As the project director, Andrew will oversee landowner consultation, technical and environmental surveys, final design approvals and construction, to ensure that this \$301 million project proceeds on time and on budget. Andrew brings decades of experience managing complex projects and ensuring that safety and environmental considerations are at the core of every project. His 37-year career includes time with Hydro, SMEC in Malaysia, and Damwatch Engineering in New Zealand. This is one qualified individual.

I understand from our CEO that Andrew has hit the ground running, has engaged landowners and is already adjusting the project scope and re-baselining the project budget, following the second round of water sales. With funding commitments secured now from the Tasmanian and federal governments, Andrew's first focus was on recruitment of the project team to give it momentum on all fronts.

The Greater South East Scheme will unlock secure and reliable water and will integrate existing south-east stages one, two and three, servicing existing and additional demand of the

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south-east. It includes Gretna, Jordan River Valley, Brighton, Richmond, Dulcot, Cambridge, Colebrook, Campania, Tea Tree, Pawleena, Penna, Sorell, Forcett, Elderslie and Broadmarsh.

Construction of the Greater South East Scheme is forecast to commence in early 2028 and the first water is expected to flow mid 2030. The government has a bold vision to grow the farm gate value of Tasmania agriculture to \$10 billion by 2050 and it's projects like this that are going to make it happen. So thanks for the question.

Ms FINLAY - Just tracking back to the Tamar scheme, the response to Mr Razay, the introduction, all of your information, there is no doubt that there's significant benefit to our producers in terms of the scheme. As you said in your introduction, benefits to producers benefit our community.

I acknowledge that it's been complex, but there's been a lot of work done from the parliamentary legislative side to enable this to happen and what I hear is, there's deep frustration with the time it's taken to work through the complexity.

So, it's been slow, really slow. That is causing people - and that's why I wanted that clarification around the deposits - it's causing people to contemplate whether they just go out alone if they have capacity. Some of them have the capacity to manage water on their own properties, but some don't. It's an inter-reliant system, so the slowness is a problem.

You just mentioned that you've been to the feds recently to contemplate what might be available -

Mr PEARCE - ReCFIT has.

Ms FINLAY - in terms of federal money, but that could have happened a long time ago. It feels like that each step in this process has been delayed and quite slow.

Given that ReCFIT went to the feds - your language on this project implies a lot of ownership of the entire project. Who's actually leading this? One of the challenges with this current government - forgive me for the comment, but it's true - is that where multiple agencies are involved in a project often there's not a driver or a leader and things take time and, as a result, they fall away or collapse. So, who's actually driving the project?

Mr PEARCE - Thank you for your question, although I disagree with the premise of it. I am -

Ms FINLAY - You're driving it?

Mr PEARCE - I am certainly pulling all the strings and all the levers that I possibly can to deliver that. I meant it when I said that my principal role is to deliver that water in the right places at the right price and it needs to stack up, but it needs to be reliable.

One of the reasons that TI has the reputation that it has is because of the surety that it provides. The 98 per cent surety that that water is delivered on time and it is reliable, it's one of the reasons that TI has done so well. I congratulate TI for that. I won't compromise on that.

Having said that, we need to deliver that water. It also needs to be done in a very reliable, grown-up and practical way, and the risks involved with any potential shortfalls or downfalls

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need to be clearly identified and built into the risk matrix on that project. I'm going to hand over to Mike Sylvester and he will talk through some of the frustrations that he's had, but I want to assure you that that this is being driven, that we're not sitting on our hands. I'm only a recent minister, a few months in the job, but let me tell you that this is one that I've placed a lot of energy into, and I know TI have done the same.

Ms FINLAY - Just before you pass over, I'm really happy to hear about where those challenges have been and it's great as minister - and I've heard you at many forums and I trust that your intention is to drive things and to get things done. Many of the farmers on this scheme have worked with four ag ministers over the last four months.

Mr PEARCE - Yes, I get that.

Ms FINLAY - It's been horrendous for them and that's why that holding of deposits when it's been complex - but it's been slow. It's really frustrating. People are thinking of opting out, and that's not going to help because then you're not going to have the numbers and the business case is going to have to shift again. If you are, across ReCFIT and TI and the government, taking the lead on this, then please do drive it; because a lot of these things around what is the risks, what are the volumes that are needed, how do we bring it together, actually, it's complex, but it's pretty simple as well. It's mathematical, right? It's about relationships, but it's about effort and it's about action and you are the new minister in the role: great if you drive this, but there has been a lot of stop-start and a lot of no action.

This is the place where we share these things, but when someone has the water, so when a scheme is developed, it's out of the ground and the water's available and they're irrigating and it's an irrigating season, then people love the water that comes from TI, but as minister you have a responsibility, and as a new CEO you have a responsibility to check the process culture and the process reputation of TI, because there are things that across the board can lift to take these frustrations and these delays out of the system. I'm happy for you to share, if you could, what you see those -

CHAIR - What was the question, Ms Finlay? We may get another round in.

Ms FINLAY - Yes. What are the barriers and how are you going to get across them quickly, because this has been years to this point and now we're only just asking the feds where the funds are at.

Mr PEARCE - There was a question at the end.

Ms FINLAY - What I was doing was giving reference to your comment before you handed over the response to the question, which is where the challenges are and what are you going to do to overcome them. You made a couple of comments that I didn't think were reflective of how the farming community feel, particularly in around this Tamar scheme where there are unfortunately frustrations that need to be managed with TI from the farming community. Once they've got the water, it's turned on and they're using it to their benefit, that's fantastic, and where that can add to your future farmgate value, that's fantastic, but to get from an idea to actually the delivery of the water, unfortunately, there are challenges with reputation and culture across TI, and I welcome your appointment and I hope that shifts.

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Mr PEARCE - Can you talk about - if you wouldn't mind, thanks to the member, the demand and the lack of strength in demand, how that would stack up in terms of percentages, the 8 or 9 versus the 25, typically, to give that aspect of - not as an excuse, but basically paint the reality please, Mike. Thank you.

Mr SYLVESTER - Through you, minister: the first part of my answer, I want to talk to my appointment, as you call it, as a new CEO and the culture within Tas Irrigation. As you know, I've been in the role now for seven months, but I've been really impressed by what Tas Irrigation gets through as a very small GBE. We've got about \$1.3 billion worth of projects under design and construction at the moment. There's 10 permanent staff in our capital works department.

By way of example, we've developed 16 irrigation schemes in about 16 years. We're one of the fastest water developers in the country. We have a formidable reputation across Australia and New Zealand for bringing high-reliability water to the irrigated community and using water as an enabler to unlock growth in the agriculture sector. That's also testament to a chart in our annual report where there was almost linear correlation between the water that Tas Irrigation provides and the farmgate value growth in the last decade.

Ms FINLAY -None of that's disputed. Those relationships with your irrigating farmers and your potential irrigating farmers is something that could improve.

Mr SYLVESTER - Yes, and certainly the signal that I'm sending under my leadership is that we're open for business.

Ms FINLAY - Yes and like I said, that's welcome, but there's a history or a legacy that those things need to correlate as well over time. The question: the challenges to delivering the Tamar scheme, what do you identify them specifically to be and what are you specifically going to do about achieving the scheme, because there has been frustration in the delays?

Mr SYLVESTER - Through you, minister, again, thank you for the clarification question. The key risk remains the uncertainty of demand. We have confirmed demand from the irrigator community, notwithstanding that that demand is insufficient to develop an irrigator-only scheme. Normally, we would aim for 25 per cent in terms of water entitlement sales, but if we sell all the water we possibly can on this scheme to irrigators, we're still only going to raise about 8 per cent of the capital costs, so there is a significant shortfall in demand. For me personally, it's working very closely and continuing to work very closely with ReCFIT and overseeing my project team to do the same with their project team, to advance the demand from the provisional proponent at Bell Bay, so then we have some certainty to design to.

Ms FINLAY - Can I ask a question between your relationship with TI and ReCFIT, given that you are the water developers, is there a lead in that relationship? Are you the lead in that relationship with ReCFIT?

Mr SYLVESTER - Through you, minister, no. The lead in the relationship with ReCFIT is the general manager of project development and delivery, and the lead on ReCFIT's side is the director in their department.

Ms FINLAY - Sorry, not as individuals, but as an entity: which entity, TI or ReCFIT, is taking the lead, because again, and this is not a comment to you but a comment across

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government, when there are multiple agencies involved in delivering projects, I could think of the *Spirits* as an example, unfortunately one of the shortfalls is that no one's actually punching and driving. So in the relationship between TI and ReCFIT, who takes the lead there?

Mr PEARCE - In terms of the ReCFIT involvement in that, we requested -

Ms FINLAY - You're taking the lead?

Mr PEARCE - that ReCFIT become involved to look at the non-irrigation component, the commercial component, the hydrogen component and that's what they do, that's where that federal funding was aimed at, that is their jurisdiction under that. In terms of providing that water, then that is my responsibility and they're mutually inclusive and mutually supporting, I would have thought, so -

Ms FINLAY - Do you understand the question, though?

Mr PEARCE - I understand your question, and there needs to be a give and take when you're working into interdepartmentally. However, my job is to deliver -

Ms FINLAY - But as you give and take, there are more and more delays.

Mr PEARCE - water and that component will aid in that goal, in that mission outcome and that's why we convened that meeting with ReCFIT.

Ms FINLAY - Through you to the CEO, is TI taking the lead in the departmental relationship between TI and ReCFIT?

Mr SYLVESTER - Through you, minister, so TI is taking the lead in providing the water solution in accordance with the demand that we know about. That demand comes from two areas: it comes from our irrigation customers and it also comes from the work that ReCFIT are doing with their provisional proponent, and other proponents that they have in that area as well.

Ms FINLAY - Has the conversation shifted -

CHAIR - We will move on, and you can ask again, but we want to get through at least two rounds. You wanted to say something, Mr Pearce?

Mr PEARCE - Thanks, Chair. It gets back to your question that you raised on behalf of Ms Badger. I'm happy to clear that up now, if it's okay with you and the rest of the committee.

CHAIR - Sure, thank you.

Mr PEARCE - In relation to that request for NMIS non-compliances, these are contained in our publicly-published project compliance report, which is on our website tasmanianirrigation.com.au/source-assets/images/annualcomplianceport2025.

CHAIR - Well, that makes it very clear, thank you very much.

Mr SHELTON - Listen to the tape again.

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Mr PEARCE - It's on the site and that's just the link, so -

CHAIR - My question is around the annual report, which I actually found quite difficult to find, but there you go. The annual report shows a \$71.5 million loss, with \$89.186 million in impairments. This seems like a significant amount of debt, and I note that the Auditor-General in his report on table 7, the debt-to-equity ratio for Tasmania Irrigation is only rivalled by TT-Line. Tasmania Irrigation is at 99.9 per cent, so what is Tasmanian Irrigation's plan to get out of this financial hardship, in the first instance?

Mr PEARCE - Thanks for the question, Chair. To that end, I'll hand now to the Chair, Kate, and possibly you might want to hand over to Mike throughout the question response.

Ms VINOT - Thank you very much, minister. As we've been talking today, you will hear that TI is very much a two-part business. We run operations, but we also develop new projects. The reason for a lot of our debt is that those projects are financed through debt, which is why we have a debt facility through TASCORP. So when we are building, we get paid against milestones on that. The assets that we are building we don't pay dividends to the government on. Our operational model is that we are a cost-recovery business and therefore we don't have a significant return on those assets once they are in operation. Therefore, we're required to write those assets off, which gives us that debt-to-equity profile.

We also, as was spoken before, have some unsold water debt at the start of projects, which is to be sold over time so that we're not under-sizing our projects at the time of commissioning, and that there is opportunity for further farmers to be able to buy in as they discover that the product is available and important to their business, and they can grow and expand and new entrants into the schemes can join as well, so we're carrying some debt from that. That also adds to the profile that is reported very openly and transparently in the annual report, and it's a methodology that's enabled us to build those 16 schemes in 16 years as Mike, our CEO spoke before. Mike, would you like to make any additional comments, the CEO or the CFO in relation to the question?

Mr SYLVESTER - Yes, thanks Chair, and through you, minister: I will answer the latter part of the question in terms of what are we doing about that financial sustainability piece. That is certainly a key pillar of our strategic planning, to continue to work with the government to define a business model for TI into the future where we may be in a landscape of not delivering projects anymore as a water-distribution-only business and making sure that we can stand on our own two feet. It is very much part of the landscape of our strategic plan to work through that.

CHAIR - How many projects are coming up and how does that level of debt influence how you roll those programs out?

Mr SYLVESTER - Through you, minister: yes, it's materially important that we manage our debt facility with TASCORP appropriately through that. So, you will be aware there's 10 projects under consideration with tranche 3. One of those was ruled out reasonably early, which was the Fingal scheme because we had sufficient demand, so what follows Northern Midlands is Sassafras, Wesley Vale, Greater South East, potentially Tamar that we've talked about, Southern Midlands, Harcus, Flowerdale and Detention up in the north-west coast in traditional agriculture country. We've certainly got our eyes on that debt facility to enable us to develop those schemes.

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CHAIR - Finally, before I move on to Prof Razay, so you have this level of debt, you're trying to manage it, then why would you - is there a time where you just pull back from undertaking an irrigation scheme or a project?

Mr SYLVESTER - Through you, minister, so in terms of developing our schemes, and our typical model is that we achieve 50 per cent of the capital funding from the Commonwealth government, 25 per cent from the state, and then the rest is 25 per cent through private participation in which we create a product called a water entitlement and sell that to our irrigators, and our irrigators use that water entitlement and sell that to our irrigators, and our irrigators use that water entitlement as an asset to create equity on their farms to then go and leverage against in terms of their own borrowings for their on-farm infrastructure. That's really underpinned the success of our delivery model and will continue to be part of what we need to do in the future.

CHAIR - Will you pull out of projects if you think it just is not viable?

Mr SYLVESTER - Through you, minister, we have a history of doing that. The Fingal scheme was a case in point where we went out to water sales. We had three customers that were interested. We raised in the order - or could raise in the order of 11 per cent, noting that 25 per cent was the threshold, our recommendation was that we didn't proceed with those schemes. One of the key requirements of our statement of expectations is that our schemes are financially viable, so we work very closely with the minister's office to make sure any advice into the government meets that target.

Prof RAZAY - Minister, one of the main challenges on embarking on a very massive irrigation scheme is to know what's the impact on the environment. How can we ensure that these irrigation schemes would not be harmful to our environment, especially the groundwater, and how do we monitor that?

Mr PEARCE - And you raise a very real concern and it's a concern not only of my own self, but also of TI and in fact, the broader agricultural sector within Tasmania. We understand if we don't look after our land, then we won't have a farm for future generations. It's no different with the environment. We're also very cognisant of the impacts that agricultural and irrigation infrastructure has on the environment. To that end, it is exhaustive, the amount of process that we go through in order to meet not only EPA but also EPBC requirements. It is ever-present, and we've touched on that already. I'm now going to hand over to Mike, and he will step you through the depth of where we are with this. It's not only the environment; it's water quality; it's environmental flows; it's also the amount of water that we're delivering to that agricultural land as well, which can have consequences. Mike, would you mind outlining that for us?

Mr SYLVESTER - Certainly. Through you, minister, and I thank the member for the question. We use our farm water access plans, or farm WAPs, if I could refer to them, as the benchmark in which we guide environmental practice for on-farm irrigation. I believe the farm WAPs have been referred to in the state government *State of the Nation Report* as best practice for irrigation. We have over 800 Farm WAPs in practice at the moment. We audit in the order of about 10 to 15 per cent of those each year. In addition to our farm WAPs, we also work very closely with NRE around statewide water quality monitoring.

I think it's important, also, to emphasise that whilst our business is called Tasmanian Irrigation, we are only responsible for 10 per cent of Tasmania's irrigation, so we are a very

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small player, but we're a very niche player in that high reliability, high surety piece. So we have over 140 water-quality monitoring sites. We collect over 9000 data points in relation to that. We produce our water entity reports that we submit to the department as the responsible water entity. We look at things like dissolved oxygen, electrical conductivity and neutrality across all our schemes. This year, in terms of the water quality reports that we submitted, we also had a look at a 10-year baseline for those reports, and none of the schemes showed any correlation between water health and irrigation.

Prof RAZAY - I am beginner in this topic. Can you tell us how could the irrigation have impact on the groundwater, and how do you measure the groundwater level?

Mr PEARCE - Mike, would you mind running through water table levels and measurement of that hydrology, please?

Mr SYLVESTER - Yes. Through you, minister: we measure that through hydrological analysis. So, in terms of farm WAPs, we look at water table levels on that farm in terms of the water quality and the sampling we do at particular sites. We look for runoffs in terms of fertiliser and other components that will affect the electrical conductivity. We are able to draw correlation between irrigation impacts and water quality.

Consistent with my previous answer, a study across our 10-year baseline shows that there's no correlation between the irrigation water that Tas Irrigation provides and any water health issues in our irrigation districts.

Ms VINOT - Thank you, minister, and thank you also for the question. Our CEO has described very clearly exactly what we do in terms of monitoring the impacts once we're into operations, but I also wanted to reinforce that the projects themselves are designed and approved with very rigorous environmental modelling and studies, and those approvals come both from the state level and also from the federal level.

The *Environment Protection and Biodiversity Conservation Act 1999* is a very rigorous act that we've had to get approval under those acts, which takes into account all that hydrological modelling, the baseline assessments and so forth, including not only the hydrology but also the biodiversity in those areas.

The description with the farm water action plans and so forth are actually us monitoring that what our modelling and our approvals originally expected to occur is actually occurring, better or worse, how do we - and those, as Mike has said, is actually proving to be as good if not better than the modelling anticipated.

Mr SHELTON - Before I go any further - as a water user, professor, the pricing of the water is a substantial - it has a disincentive to overuse. And so, it's -

Prof RAZAY - More economical.

Mr SHELTON - Well, you don't - overwater anything you need to, otherwise it costs you money.

My question to you, minister, is - all government departments like TI need access to private land and on the landowners and that sort of thing, and the relationship therefore between

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government businesses and landowners is important. Thereon, to reading meters, to repairing any breakages and that sort of thing. And so, I'm interested in understanding that relationship and what's been done to improve or that sort of thing, as far as farmers rights go, for operating the business on their land. If you could just - to the committee please?

Mr PEARCE - It's important. Relationships are important - I think there's something in that for all us.

The relationship between a farmer and a contractor is absolutely pivotal, and at times, we need compromise from both parties, if you like. Most farms are businesses first, and we need to get that through our heads loud and clear. Often from the metro person's mind's eye, it's a beautiful utopian place where we just farm and the sun shines. The fact is that farms, if they're not businesses, if they're not returning to a bottom line, if they don't have that business model positivity, then they're not farms at all; they're just places to exist.

It's our workplace. Also, it's our home, it's our office, it's where the kids grow up. It's everything to us, and when you step onto somebody's farm, then you step into their life. TI recognises that, and they inculcate that through all their subcontractors so that they understand completely the impact that they're having onto those workplace homes and alike.

Sometimes, these visits can - I also pose with the other aspect we need to think about is the biosecurity risks that involve, particularly earth-moving machinery with earth still attached to it, moving that from property to property. It's a biosecurity risk, particularly given the soil-borne pathogens that could remain on that equipment. Therefore, it's important that these risks are managed efficiently.

Now, the government, TasFarmers, TI have worked together to update Tasmania's charter for working on private farmland. The updated charter was released at Agfest this year, and I think you're familiar with that particular document. It outlines what is expected on-farm so that everybody understands their rights and responsibilities. The charter's objectives are to ensure that issues of shared concerns, such as biosecurity, I've already mentioned, and safety risks are considered and that farmers are treated with respect. Importantly, all parties to the charter agree that the more intrusive the work intended, the greater the obligation to consult beforehand, and they work constructively with farmers to minimise disruption on their property. It aims to minimise disruptions to farming operations while they still allow the necessary work that needs to be carried out in a safe and efficient way.

The charter has been in place since 2019 and these updates will ensure that it remains current into the future. TI was an active participant in that update of the charter and I understand that it's field operations are now fully aligned with that charter. I will hand over to Mike and he will detail what that looks like on the ground.

Mr SYLVESTER - I thank the member for the question. Certainly, Tasmanian Irrigation is fully committed to respectful engagement with our private landowners for the design, development and operations of the scheme.

As the minister has outlined, we are a signatory to the Tasmanian government's Charter for Working on Private Farmland, which has been in existence since 2019 but refreshed in May this year.

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We have reviewed all our internal processes and realigned our internal processes to ensure compliance with that charter. We've developed and implemented what we call a 'best practice process for field operators', which sets out the clear protocols for accessing private farmland respectfully, safely and with transparency.

Ms FINLAY - On the Tamar scheme and the questions around unknown demand, there's a simple calculation that can bring a scheme up to financial viability where you know what you have at the moment with the farmer sales and the gap. The purpose of that instrument was about industrial water sales, the opportunity of industrial water sales to close the gap and you've done a business case now and you're going to the feds asking for money, so could I have the answer to two questions?

What is the current volume of the industrial water sales, so a potential proponent or just a commitment from the government to underwrite industrial water sales? What's the volume that is required to make the scheme ready to deliver, and what specifically are you asking the federal government for? Are you only asking them to back-in, if there is a potential proponent, or has the consideration for the scheme moved to - is there an element of underwriting somewhere to bring the scheme to an end so that you can actually start the process of working towards delivery?

Mr PEARCE - I will let Mike talk about the threshold number first.

Mr SYLVESTER - I thank the member for the question. The answer to your question is 9000 megalitres of industrial water.

Ms FINLAY - Thank you. The second part of the question is: has the conversation evolved between ReCFIT and TI and in its approaches to the feds or to the state outside TI and ReCFIT to underwrite that amount of water so that the scheme has an opportunity to progress, because at some point there is going to need to be water at Bell Bay, whomever the proponent is. I am interested in the language today around flexibility with schemes, providing for future capacity for future sales, those sorts of things. There is a future opportunity at Bell Bay. Has the conversation shifted from needing a proponent to secure the 9000, or is there now a more elevated conversation about underwriting that gap?

Mr SYLVESTER - Again I thank the member for the question. We submitted the preliminary business case in October. That business case is currently being assessed by the government. Tasmanian Irrigation has been explicitly clear with the commercial risks that both the government and TI and the customers will need to take on in relation to that project. We've also been clear with government on terms of the size of that risk -

Ms FINLAY - Government being state and federal?

Mr SYLVESTER - The government being state - in terms of that risk that they would need to underwrite.

Ms FINLAY - When you're using the word 'underwrite', so the conversation is now not about having to wait for a proponent, but actually being able to bring together a scheme with some underwriting for that industrial or in fact agricultural water.

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Mr PEARCE - We need information, we need data, and we need a certain amount of surety before we offer that to our farmers and build that into the business case. The business case was submitted at the end of October and we're waiting for advice now from the Department of Natural Resources and Environment Tasmania (NRE), from Renewables, Climate and Future Industries Tasmania (ReCFIT) and from Treasury as to what decision process will go forward from there.

Ms FINLAY - As the leader of the project, what timeframe have you given them to get back to you so a decision can be made? What's your decision making time frame for that?

Mr PEARCE - I can't. I can't give you a -

Ms FINLAY - If you're leading, did you give them a timeframe to get back to you?

Mr PEARCE - It might be alright in this perfect world that you come from, but they've got a lot of work to do and there are - we've got to liaise with the federal government, that's no mean feat, that really takes some work -

Ms FINLAY - Through you, Chair, what you just said to me was that you're talking to ReCFIT, Treasury, NRE, so my question to you is in your conversations with them as a leader trying to bring a project to an outcome, you give people timeframes. I'm wondering when you're expecting to get the information back from them so that you can be clear when you go to the feds, specifically what you're asking for. What's the first timeframe for a decision?

Mr PEARCE - In the near future.

Ms FINLAY - That's not a date, minister, and it will just continue to be slow, and it'll continue to frustrate people.

CHAIR - We will go to the next question, thanks, Ms Finlay. I just wanted to clarify in regard to those breaches that we talked about with the Northern Midlands scheme, were there any fines associated with the contractor?

Mr PEARCE - I'm not aware of any fines. No.

CHAIR - No, there were no fines? Thank you. I have a question, and it goes to those other projects. I think Prof Razay and Ms Finlay have been talking about Bell Bay. It goes to the new technology of AI and setting up facilities which are mooted. Is TI permitted under the 2023 changes to sell water to AI factories, or data centres as it is now able to sell, for example, to Liberty Bell Bay?

Mr PEARCE - In relation with the rules around that, I'm going to throw to Mike. In terms of the requirement for things like AI data centres, that's a significant amount of water. These things need to need to be cooled. As well as that, there are a number of other connectivity issues. How do you get the information in? How do you get the information out? The amount of electrons, the amount of energy that that consumes? There are a number of issues. In terms of our component, that's all we can comment on. I'm going to throw to Mike on your response.

Mr SYLVESTER - Through you, minister. Under the act we would need express permission from the minister to provide water for any industrial purpose outside of hydrogen.

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CHAIR - Okay. In relation to the - Have you received, or have you requested permission in relation to the AI factory expansion in St Leonards? Because we're talking about significant amounts of water; it's a real environmental issue.

Mr SYLVESTER - I want to paraphrase my question by making the committee aware that we're not the only water distribution business in the state. If we were to provide water to a customer outside our said purpose, it does impact on other water distribution businesses. In terms of the specificity of your question, we're very well aware of the AI centre because it's been built very close to our head office in St Leonards. That is not a centre within one of our irrigation districts at the moment and we don't have any infrastructure or plans to supply water to that facility.

CHAIR - So you haven't been approached?

Mr SYLVESTER - No.

Mr PEARCE - If I could just clarify, Chair, that I want to make it very clear that that would require express approval under the act, to provide that that water for those purposes. At this stage, no such approval has been given or sought.

CHAIR - Thank you.

Prof RAZAY - Honourable minister, the *Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023* was passed to allow Tasmanian Irrigation to delegate some powers and functions to groups of community irrigators who want to have greater involvement in managing their publicly owned irrigation system. The Winnaleah Irrigation Scheme is such a scheme to look at how community management can work. Can we have an update on the Winnaleah Irrigation Scheme and how many groups of irrigators in northern Tasmania have applied to the scheme and how many of these applications have been granted?

Mr PEARCE - Thank you for the question, and for the benefit of the remainder of the committee and others, the Winnaleah Irrigation Scheme - which is often referred to as the WISL - has a lot of history behind it. We have passed amendments to our water management legislation, as you rightly point out, to enable TI to delegate certain powers and functions to irrigator groups and that was done in 2023.

We also facilitated the arrangement between TI and the board of Winnaleah Irrigation Scheme Limited to trial the application process for community management. Both parties agreed, and support from TasFarmers to undertake that trial. I want to recognise the board of WISL, TasFarmers, and Tasmanian Irrigation for their efforts today. The trial is well progressed now and while there have been delays, my office has regularly been checking in with both parties, and they are continuing to proactively engage. Further work, I know, is required for an outcome. In terms of the numbers that you requested in the second part of your response, I'm going to hand now to Mike Sylvester.

Mr SYLVESTER - I thank the member for the question. There haven't been any other community groups that have expressed an interest in community management. Our statement of expectations requires us to facilitate greater community involvement in the management of schemes and the community management that's enabled through the amendment to the *Water*

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Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023 is one mechanism to do that.

I think Tasmanian Irrigation does that very well through our irrigator representative committees. Of which one exists in each of our 19 schemes, including Winnaleah. There is a current subset of the irrigator community in which we engage with very closely around asset strategy and maintenance and serviceability of that scheme to set the standards, as we do with others.

We have two schemes under active community management already. One is the Cressy Longford Irrigation Scheme, where that trust is the responsible water entity, but Tasmanian Irrigation owns that asset. We work very closely with them. I personally attend their board meetings and have visited their schemes. The other scheme under community management is on Flinders Island where we have responsibility for those assets.

Concerning the trial specifically, I've been out to the Winnaleah community a couple of times now, I've met with their board, I've toured their scheme, I'm in active and regular discussions with their independent board chair on their application status, which is still pending. At this stage, WISL, as the minister referred to, still needs to work through their steps and make a decision about whether they're going to submit an application and how they demonstrate their 80 per cent irrigated district participant acceptance of such application and then submit the application to Tasmanian Irrigation for assessment.

Prof RAZAY - You mentioned that not many farmers have applied for community management. Is it because it's too difficult? Too many regulations for them to be part of?

Mr SYLVESTER - I thank the member for the question. We've had two schemes up in the north-west, being Welcome and Montagu districts, for some time. Tasmanian Irrigation established working groups in both of those districts in around 2020. I acknowledge that was prior to the *Water Miscellaneous Amendments (Delegation and Industrial Water Supply) Act 2023*. The aim was for those local groups of irrigators to become the responsible water entity for the annual drainage works. I'm also conscious that under the amendment to the act that Tasmanian Irrigation can't delegate the responsible water entity, but each time we've approached those groups and offered a greater level of community involvement, they've declined and it's really around the reluctance for the risk and responsibility that accompanies the RWE status.

We take our responsibility quite seriously in how we discharge environmental stewardship and quite often support for multipurpose facilities within those irrigation districts, it can quite often be complex and not all community groups are sufficiently resourced and able to do that.

Mr PEARCE - If I may add, there's also infrastructure risks and I was wondering whether Mike could just quickly outline the Cascade Dam and the high and the risk matrix that's applied to that.

Mr SYLVESTER - Cascade Dam sits within the Winnaleah community and say our highest-rated risk dam in in our portfolio. In terms of working with WISL collaboratively to work out which responsibilities and powers that we seek to delegate as part of the asset lease, we've made the call that we being TI will remain responsible for that for that dam asset. The

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offer around the asset lease to WISL is in particular is to operate the irrigation assets outside of the dam.

Mr SHELTON - Minister, I'm interested in getting an understanding of whether farmers are actually making any money out of irrigation and as a water user, I know I've heard it said around the community, it's too expensive to use, but you can't afford not to and so we know that companies require guaranteed water before they offer some contracts and so forth. There's an increasing number of farmers investing in water and diversifying away from their what they did in the past in order to give themselves another income.

Across the schemes and across Tasmania, I'm sure there's been some work done to get an understanding of the returns that on water and what that means to the agriculture sector, and you mentioned \$10 billion by 2050 and how we're achieving there and you have to make money in order to get to that point and produce products.

I can go back to Cressy Longford Irrigation Scheme was just mentioned and that was being put in the Cressy-Longford area when I went to school at Cressy and it was put and it's still fine not deteriorating. I'm sure they be appreciating it over a hundred of years not just 50.

The reality is that it would basically a wool-growing area prior to the scheme going in. A lot of farmers in that time actually didn't buy into the scheme because the wool was profitable and that sort of thing and it went through their property, but then when wool collapsed in 88-90, it allowed farmers to transition and actually stop a lot of farmers from going broke because they could transition into a different area.

It's absolutely crucial to that Cressy-Longford area and the man of amount of product that's coming out of there and not to take up too much committee time, my father-in-law had a fuel business on Cressy and now my brother-in-law has it and the amount of fuel that goes through a farm into tractors and working of ground and that sort of thing, converting that into product to sell on the tonnes of stuff that comes off that that area in potatoes, peas, beans, poppies, it is just incredible.

I'd be interested one day to find out how much out of that area that water creates and so you might have some insight into that.

Mr PEARCE - I do that and I really value and appreciate your question you raised a number of fantastic points that often people in the cities or shopping the aisles of Woolworths of Coles don't realise, and that is the enormous investment that a farmer has into their operation and unlocking that potential is incredibly important also.

Where I come from, land is expensive. I sit in that north-west band of krasnozems red soil and as soon as you - It is expensive to buy. It really is. As soon as you add water to it, it almost doubles. The value of that land almost doubles. What that is, is capital effectively that you've just unlocked as soon as you put water on it.

I don't think that is a subject that's talked about enough. I don't think that realisation of that potential capital is realised enough. To that end, we've put a lot of work around this. We've invested \$1.6 million into researching around how we help farmers understand what influences irrigation efficiencies to make the best of that investment and to adopt practices that minimise environmental impacts, you know, transpiration and all the rest of them.

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The Agricultural Innovation Fund project 'Growing value from irrigation for Tasmanian agriculture', is being run by the Tasmanian Institute of Agriculture, led by Prof Caroline Mohammed working with Tasmanian Irrigation. It will deliver improved information about the very things that you speak about, the value of our irrigation to Tasmania and how we make irrigation systems more effective and more efficient.

The project has three practical objectives. Firstly, to determine the value derived from irrigation to Tasmania more generally, and to inform government policy and funding decisions in order to aid farmers in their investment decisions.

Secondly, to increase the knowledge and adoption of practices that optimise irrigation efficiencies, and a big pat on the back to almost all of our farming fraternity who are traditionally known around the country as early adopters of tech and R&D.

Finally, it will investigate irrigation management to minimise environmental impacts and to maximise economic returns. Over the longer term, this could also result in benefits including reduced water-logging, a reduction in crop losses and improved soil health. Having access to that data on that value will help make a case for ongoing investment in irrigation infrastructure.

This project is progressing well and I'm on my way to Forth early in December to see the latest, so I'm looking forward to giving parliament an update on how that is playing out. TI may wish to make an additional comment on this project.

Mr SYLVESTER - Happy to do so. I thank the member for the question. We know that for every thousand megalitres of TI water supplied, there's in the order of 25 direct and indirect permanent jobs created. There's on-farm investment in the order of \$2 million to \$4 million and up to \$3 million per annum of benefit is generated to the wider state community. We're really proud of the impact that we make to the state's economy and look forward to a long future of continuing to do so.

Ms FINLAY - Not scheme-specific, but over the entire organisation, how many court cases is TI currently involved with and what would be the taxpayer expenditure to defend or prosecute those cases?

Mr PEARCE - Thanks for the very specific question. Mike?

Mr SYLVESTER - I thank the member for the question, we have one active dispute at the moment. The cost of those are part of the corporate cost that we bear as an organisation.

That current case is in its phase where the respective insurers are having conversations. The rest of the details are obviously commercial-in-confidence and under legal privilege.

Ms FINLAY - Yes. I'm not wanting to go into that at all, but you don't code out the costs of prosecuting or defending a position to a separate reportable item in terms of the costs to TI?

Mr SYLVESTER - Thank you for your follow up question. No. We don't code those out separately. They sit within a ring-fenced corporate group, so we have full visibility of it. It's just not in its own cost code.

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Ms FINLAY - Minister, in your comment to Mr Razay, you said that you're regularly checking in with both parties around the Winnaleah scheme. In Estimates last week, I asked about your engagement with Winnaleah and you said that you'd met with one irrigator and that you're due to have a meeting. Just wondering whether that meeting has now been scheduled, when you're due to meet with Winnaleah, and could you give some depth to the characterisation that you regularly check in with Winnaleah, with the scheme? Last week, it was that you'd met with one person -

Mr PEARCE - Yes, no, I get the question. I think it was in their first meeting, talking to the CEO now, I expressed the view that I want to get to those schemes and that I wanted him probably to prioritise my visits. There is a meeting scheduled, and I can check with you and get back to you when that is on. It's in December sometime.

Ms FINLAY - With the board, not with individual irrigators with the actual Winnaleah Irrigation Scheme Limited (WISL) group?

Mr PEARCE - The board's met with them. That was the premise of my request. My staff often tell me and remind me that you can't be everywhere, minister, but I want to be out on the ground. That's where my strength lies, listening and taking account of the comments made. Given the fact that this is significant, this is steeped in history, that there are a lot of moving parts, I made that request very early in the piece. I have a meeting in December. I think it's towards the middle of December that is going ahead.

Ms FINLAY - Will that be your first meeting with the board or committee?

Mr PEARCE - I am going there, I'm worried about me.

Ms FINLAY - Specifically, is that your first meeting with the board or committee that you will have in December?

Mr PEARCE - Yes, it is.

Ms FINLAY - I wasn't sure what you were characterising as regularly checking in with them.

Mr PEARCE - I check every time I talk to the CEO or the chair.

Ms FINLAY - With the actual irrigators, with Winnaleah?

Mr PEARCE - This is front of mind for me.

Ms FINLAY - Okay, great. I'm glad to hear that you're going out there in December. Can I understand with Cascade Dam being ring fenced out of the agreement; the reference was that there are steps still to be taken. I recognise that you said that we still need to make a decision about whether they submit, but before they can make the decision, there needs to be clarity around what they're agreeing to, what's being offered. Are there still steps from TI's position in terms of information to WISL or exchanges between them or is the ball now in WISL's court to come back to you? Where do you see that conversation?

Mr PEARCE - In terms of the dam, then that will need to remain.

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Ms FINLAY - I am not talking about the dam, minister. That's been set aside with the balance of the task.

Mr PEARCE - Well, I'm happy to hand over to Mike.

Mr SYLVESTER - My direct answer is the ball is in WISL's court, but that doesn't remove TI's responsibility from being collaborative in this process. I'm of the view that whilst WISL and some of the broader community members outside of WISL have good asset ownership and history of that, Tasmania Irrigation does also. The best approach through this is in a collaborative way.

Ms FINLAY - Minister, in terms of collaboration and WISL, you mentioned earlier, I think it was either yourself or the CEO, who positively mentioned that WISL have been engaging with TasFarmers around this project and getting advice and having conversations there. As I understand it, not from WISL but from other parties, WISL being required to enter into non-disclosure documentation which is now limiting their capacity to engage and get advice from others. Was it your intention that a non-disclosure would stop them from being able to engage in positive conversations with TasFarmers around their circumstances?

Mr PEARCE - In terms of that correspondence, we've talked about this a lot.

Mr SYLVESTER - The basis of the non-disclosure was for Tasmania Irrigation to share our customer details with WISL as a community entity to protect our interest and protect the customers' interests under the *Privacy Act*. WISL have signed that non-disclosure agreement and sent that back to us and as far as our relationship with WISL, we're very happy with that. If WISL chooses to reflect a non-disclosure agreement with any other service providers that they may be using to help them through this application, that's the responsibility of WISL.

CHAIR - If we could go around, Ms Finlay. Minister, the State of the Environment report found that irrigation contributes to declining river health, and given TI's acknowledgment of that in the annual report, why hasn't the board increased the Farm Water Access Plan audits beyond 10 to 15 per cent annually?

Mr PEARCE - It's already been stated, Chair, that environmental impact is front-and-centre of everything we do, not only within NRE but with TI specifically. In terms of that exact question, I'm going to hand over to Mike Sylvester.

Mr SYLVESTER - I thank the member for the question. I think the *State of the Environment Report 2024* was referring to all -

Mr PEARCE - All, that's right.

Mr SYLVESTER - irrigation in the state and again I just want to reinforce the qualifier that Tasmanian Irrigation contributes to just 10 per cent of that volume. The Farm Water Access Plans and the resources behind those audits, and therefore the cost of irrigators of meeting environmental compliance, is something that we scrutinise very closely. At this stage there's no evidence coming from the Farm Water Access Plans to suggest that we need to ramp up the amount of auditing that we're doing.

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Mr PEARCE - If I can also add, Chair, some of the other information that I talked about when I talked about TIA and some of the information that they were providing our farmers on the implementation of irrigation, what changes that will have on their farming methodology and also their costs as well, that's what their role is in this. It's modifying and improving farm methodology so that farmers can operate in a new world, which includes R&D, it includes latest tech, it includes irrigation, it includes minimal soil tillage, it includes looking after the soil biome. Because at the end of the day - and I want to make this very clear - it needs to be at that business model focus as well.

If a farmer has irrigation runoff that takes nitrogen, phosphorus, potassium, sulphur and other trace elements away from the farm into the environment it's also costing money somewhere. It's a waste of money. If we can correlate a return to the bottom line and align environmental stewardship with that, then I think that's a positive thing.

CHAIR - It certainly is, but does that mean you will fulfil the recommendations of the *State of the Environment Report* in your capacity, minister?

Mr PEARCE - One hundred per cent, I'm happy to have the Chair -

CHAIR - One hundred per cent, good.

Ms VINOT - Thank you, minister, and thank you to the member for the question as well. I just wanted to add that Tasmanian Irrigation is actually the only entity at the moment that is using Farm Water Action Plans. Those are really focused at the 10 per cent or so of irrigation that is provided by Tasmanian Irrigation. It's very specifically focused on those schemes. It's looking at the areas where the Tasmanian irrigation water is applied to the farmers who buy that water from Tasmanian Irrigation and how their individual properties, and the scheme as a whole, is performing within that context of the greater irrigation that's occurring within the state. I think the minister was then taking that on to the broader irrigation aspects for your portfolio, minister, which I think you covered.

CHAIR - My second question is around a project which will have huge implications for water and presumably for TI. Has there been any modelling undertaken that you know of regarding the impact of Marinus Link and its associated projects on river flows and how that might impact on impact on TI?

Mr PEARCE - Thanks for the question, Chair, but that's really a question that possibly should be aimed at the Minister for Energy.

CHAIR - It will be aimed at the Minister for Energy, but this impacts on TI and what sort of modelling has been done to your knowledge.

Mr PEARCE - Anything from TI? But again, it's not my portfolio.

CHAIR - River flows will change, but anyway.

Prof RAZAY - Thank you very much. Minister, we heard this morning that regulation regarding risk and responsibility have prohibited many farmers to join their community irrigation schemes. Just to show you how regulation has been increasing the financial burden on our farmers.

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I will give you an example. The *Water Management Act 1999* and the water management regarding safety of dams in 2015, have placed significant inspection and compliance costs on our dam owner and our farmers. For example, at a cost range between \$10,000-\$15,000 and apparently according to the latest figures this year, 74 per cent of high-risk dam-owners were not compliant. So, my question to you is, does the high level of non-compliance indicate failure of the current regulation regime and what consideration the government has given to help our farmers' compliance costs.

Mr PEARCE - You raise a really important point. We have to balance farm safety and risk with potential catastrophe, lives lost and bad, bad, bad. We also have to compare and balance that with the implications that has on a farmer's operation. I know that full well, not only being a farmer but also being an earth-moving contractor and having earth-moving machinery in that role.

The compliance that we need to adhere to in order to build a safe dam that is fit-for-purpose, that is worth the money and will not pose damage to either property or to humans. To that end, across the state there are 22 dams that fit into the Tasmanian Irrigation portfolio, these include four dams classified as extreme or high-risk under the Australian National Committee on Large Dams (ANCOLD).

TI has a program of regular surveillance and inspection of all their dams in their portfolio. According to their risk profile of the asset and external factors including extreme weather events and seismic activities, et cetera. This is a 5-year comprehensive report that needs to be compiled on TI's behalf. We began a 20-year dam safety review with the Meander Dam in phase one; including works on the spillway, the basin and to reinforce the dam's internal structure and operational safety.

Phase two investigations are still underway, including the stability monitoring hydrology updates and geological assessments. They also do visual inspections, and they're undertaken biweekly or monthly, depending on the asset risk profile.

From a shared point dam safety emergency plan perspective, that was implemented improving accessibility and interagency coordination - I covered that in a little bit of detail when I covered subcontractors on farms. All dams rated high or of significant consequence have now been updated, flood inundation mapping and site specific DSEPs. Plan 25-26 works include survey reports of Camden, Dunn's Creek and Lake Leake, and targeted upgrades for risk prioritisation. There are no unmanaged dam safety risks in Tasmanian Irrigation's profile.

Prof RAZAY -Minister, in response to your regulation problem with our farmers - farmers commonly rely on public liability insurance to manage operational risks. If a high-risk dam fails and has not been inspected in accordance with the act and regulation, these appear to be a risk that insurers may deny liability. What is our government going to do regarding non-compliance with dam safety obligations, because it might invalidate the liability insurance coverage for high-risk dams?

Mr PEARCE - Again, a very good question. You raised the point of insurance and underwriting and it's an important factor given the premium costs that are continuing to rise. If a lot of insurance companies - I don't mind saying this in public - if they took stock of the amount of money that they're charging compared to the risk, then the world would be a better place. But, at the moment what I can say is that this was dealt with in Estimates during

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a question last week, in relation to dam safety in a slightly different portfolio. I'd ask you to refer to that, or I will have my staff avail of that, and we are currently reviewing our dam safety regs.

Prof RAZAY - Thank you.

Mr SHELTON - Minister, as you've mentioned Meander Dam - you've mentioned my history, and I go back a little bit further than yourself and the members of Tas Irrigation. As far as river quality in the Meander River and environmental flows prior to the Meander Dam - get to late February, and all irrigation would have been restricted. No more, but the environmental flow was very minimal and the Meander River was just this flow of very low flows and slime and that sort of thing. What the Meander Dam did, and the environmental flow that was enclosed after that, was improve the flow right through the season, and that dam has improved the environmental flow with the Meander.

CHAIR - Can you get to your question please, Mr Shelton?

Mr SHELTON - My question is around the Sassafras scheme. Can you update the committee - I know there's been several issues around the Commonwealth and that sort of thing; it's been talked about in my time a couple of times. Now, hopefully there's been some progress made. Can you inform the committee on that progress, please?

Mr PEARCE - Good question. Close to home in the north-west, the Sassafras Wesley Vale Irrigation Scheme. It's actually an 'augmentation', is how it's termed. This will supplement the current operating scheme in the Sassafras-Wesley Vale region.

It's going to deliver high-reliability irrigation water to Sassafras, to Northdown, Wesley Vale, Harford, and Latrobe. The project will more than double the amount of high-surety water available to farmers in that particular region of the north-west. It will deliver 9200 megalitres of new water, support 94 irrigators, and enable irrigation of an additional 3400 hectares.

This project will create approximately 60 jobs during construction and 210 direct and indirect full-time employment positions once fully operational. It will also underpin the \$28.3 million on farm investment.

Completion of the scheme has been delayed to mid-2027, from the planned 2026 date. The first full season will now be summer 2027-28. The delays to the project are due to the level of work required - not only the level of work required, but the schemes approval under the federal *EPBC Act* that I spoke of earlier.

Areas of focus for the EPBC assessment were the Centra North Burrowing Crayfish, the Tasmanian devil, the eastern quoll, spotted-tailed quoll, the green and gold frog, and the swift parrot.

Mr SHELTON - I've heard about that one before.

CHAIR - Ms Finlay?

Mr PEARCE - There's more.

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CHAIR - Okay, well, we've got only very limited -

Mr PEARCE - I just want to mitigate the environmental impact on those, Chair. I think it's important. Mitigations have been put in place as part of that EPBC process to mitigate any disturbances to those affected animals.

Strict pre-clearance surveys were required, designated exclusion zones. It included also construction timings requirements to mitigate impacts on protected flora and fauna. Final approval under the *EPBC Act* was received in August 2025. The scheme is due to start construction later this year, and I look forward to launching that.

Mr SHELTON - It's unfortunate I'm not part of Lyons anymore.

CHAIR - Ms Finlay?

Ms FINLAY - Noting, minister, that you're relatively new and the CEO is also relatively new - given the previous commitment to community management of schemes, you talked about the importance of being prepared for irrigating seasons. There's been a number of irrigating seasons now, where WISL were given the impression that negotiations and discussions around their community management would be completed in preparation for, for instance, this irrigating season and last irrigating season. On reflection with the work that you're doing, the engagement with WISL, is it still the opinion of you, minister, and of TI that community management is possible?

Mr PEARCE - A hundred per cent. In fact, it's not only possible, but it's vital.

Ms FINLAY - Great. And so, do you believe - with the nature of the engagement with WISL now and with the steps required to be completed and with the risks that you've talked about - do you think it's possible for WISL, if they go through the process and they submit reasonable documentation and commitments, that it is possible for WISL to enter into community management of their scheme?

Mr PEARCE - Yes, I do. Mike, you might want to add your two-bobs' worth.

Mr SYLVESTER - I certainly have an opinion on the matter. Thank you, minister, and I appreciate the member's question. I concur with what the minister's said. There's certainly time, obviously not for this irrigation season because it started but for next irrigation season, for WISL to complete the steps they need to under the act, demonstrate their 80 per cent threshold irrigator district participant acceptance, put in an application, give TI enough time to assess that and mobilise WISL in a way that we both agree, that is best for them to manage the assets.

Ms FINLAY - Knowing what you know about managing schemes, knowing what you know about WISL, knowing what you know about the risks and what you're expecting from them through the documentation, do you think that it's possible and viable for WISL to enter into community management and for there to be a positive relationship between TI and WISL once they are in community management?

Mr PEARCE - The question you ask is obviously dependent on the input and the report that Mr Sylvester's already spoken about - we haven't received that from the board yet. I don't

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want to situate my appreciation on something that I haven't received, but it remains my principle that these systems can exist, and this self-managed component is possible, in fact, it can work very well.

Ms FINLAY - I'm not implying that this is happening in this case, but are both similar, I think in terms of being out on the ground, talking to people is how we do our job best, so there's a lot of conversations. I suppose, I would hate to think that there is a more onerous application to community management, say in WISL, than there might be somewhere else. My next question would be, is the engagement that you're undertaking with WISL - because although you haven't had other applications, there are definitely people watching this process to see if they would like to commence the process - would this be creating a model of engagement and a model agreement, so that there would be consistency for any future schemes that might want to apply for community management?

Mr SYLVESTER - Absolutely, this is a model for an asset lease arrangement. There's probably three different levels of community management or community engagement or a community group could have. From the asset lease perspective, where the community group is also responsible for asset strategies and asset lifecycle strategies, they're bringing in that balance between proactive maintenance, reactive maintenance and using their judgement to get that right.

Ms FINLAY - Because the minister would know that farmers do that every day?

Mr SYLVESTER - There is a model -

Mr PEARCE - Don't you love it when she does that?

Ms FINLAY - That's not something that farmers don't do already.

CHAIR - Please continue, Mr Sylvester.

Ms FINLAY - I couldn't help myself, Chair.

Mr SYLVESTER - I acknowledge the question, and it needs to be done commensurate with the risk of publicly owned assets. Thinking about the public use of the facilities around Winnaleah, with Blue Derby bike park and tourism and everything else like that, that asset strategy piece is actually really important, because it affects people more broadly than just the farming community or the irrigated community. That's one model, being an asset lease and encompasses asset strategy is another model around operations and maintenance only, then there's probably a third model around operations only. The further you get away from the asset strategy, the less impact, the less innovation, the less creativity and the less flex flexibility community groups have.

Our starting point with WISL is absolutely to acknowledge their long-standing history with those assets and that district, all the experience that they have and offer them an asset lease. It is certainly not more onerous than the responsibilities bestowed on Tas Irrigation for managing those assets. In fact, I would go so far as saying it's less, because we haven't delegated -

Ms FINLAY - Examples of where it would be less?

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Mr SYLVESTER - An example of where it's less is the fact we haven't delegated responsibility of the dam.

Ms FINLAY - Outside the dam?

Mr SYLVESTER - Outside the dam is probably quite similar.

CHAIR - Minister, if we can move on, we only have about 10 minutes to go. I want to move from the beautiful north-east, back to the beautiful south. The Greater South East Irrigation Scheme we talked about earlier - it proposes to take 41,000 megalitres of water from the Derwent, primarily during summer months when the system is at its most vulnerable. Current summer takes transferred as potable via TasWater are limited to 3000 megalitres. There have been previous studies by respected scientists Davies and Parslow in 2002, and that indicated that summer flows in the lower Derwent were already very low, and we've seen that with algal blooms and summer extractions are taking risks or having implications for the river and estuary. Given the demonstrated risks to downstream users and the environment, who has authorised the extraction of this large volume and what studies have been done to assess potential impacts and determine whether the previously recommended environmental flow provisions can be safely altered?

Mr PEARCE - There are a number of water sources involved here; water sources directly from Lake Meadowbank. That's a Hydro owned and operated on river dam above the final power stations in the Derwent Hydro Generation Power Scheme. Lake Echo and King William are the two largest storages, 1 million megalitres combined capacity. For the Derwent Hydro Generation Power Scheme and water flows into Lake Meadowbank from these large storages via several downstream lakes, so this is not just one river is what I'm trying to get across.

The annual volume for irrigation is full capacity and is approximately 1.3 per cent of the total average water discharged from Meadowbank, estimated at 2.8 million meg per annum. Hydro Tasmania has formed an initial view regarding any impact of the scheme based on historical inflow data and the flow downstream for Lake Meadowbank will be unaffected. Specifically, Hydro will continue meeting their existing commitments downstream of Lake Meadowbank and they include: maintaining a minimal riparian flow of at least 18 cubic metres per day using responsible endeavours to maintain an average power station discharge of at least 32 Qmax. That's roughly around about 2700-odd meg a day over a five-day rolling period.

TI and Hydro will continue to work together to progress the project through design and environmental approvals. I can hand over now to Mike to talk about some of the specific -

CHAIR - Specifically, you talked about an annual flow, but specifically it's when the river is very low, which is in the summer months. There are the parts of Meadowbank, for example, and some of those areas of the river which are very, very low and subject to algal blooms.

Mr PEARCE - I understand your concern, and I will hand over to Mike.

Mr SYLVESTER - I think it's important to reinforce that the irrigation take from Lake Meadowbank is 18,600 megalitres in the summer period, and there's a commensurate winter period of the same volume as well. Tasmania Irrigation doesn't have any customers on

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the lower Derwent River below Meadowbank Dam, and the operation of Hydro Tasmania's power station isn't affected by the take, so therefore the discharge that Hydro will put into that river isn't affected by this scheme.

CHAIR - Given those environmental concerns, I think that was borne out at least in that study by Davies and Parslow in 2002, who will be doing the studies to ensure that the environment won't be adversely affected and will those studies be completed and released?

Mr SYLVESTER - Collaboratively, Tas Irrigation and Hydro Tasmania will continue to work together as the project progresses to refine Hydro Tasmania's initial view that there's no impact. Tas Irrigation will take the lead on that with Hydro Tasmania. That study will be materially important to our EPBC submission for the project.

Prof RAZAY - Irrigation systems require energy. Do we use clean energy in irrigation systems, especially to run pumps, for example, do we use solar energy for that?

Mr PEARCE - I have some information on solar. You raise a good point, and it's not only once that water arrives on farms - and just while I'm looking for that information around solar, many of these schemes, in fact, the Northern Midlands scheme that I visited the other day, a lot of that water is being delivered at a rate and at a flow rate that will feed a pivot irrigator so there's no requirement for secondary pumping at the farm. This is an incredible advantage when it comes to farmers not having to pay for a secondary pump or a turkey's nest, et cetera. These are considerations that we apply all the time. I know for TI it's front and centre.

In relation to your question around solar, it's not only smart, but it's smart business sense as well. I know energy costs are significant, they're a significant portion of the cost of delivering water, and they're a significant cost of doing business in agribusiness. That's why we as a government have invested more than \$5 million in an energy on farms program to reduce these costs and to make irrigation schemes more efficient. The program also encourages the use of renewable energy and the adoption of new technologies for the broader community.

In the year 2024-25, the final two solar arrays included in the energy on farms program were installed. The first was at the Mt Seymour pump station as part of the Midlands scheme, and the second was in Smithton on the Duck River. A solar array was also installed as part of the Don Irrigation Scheme near Devonport and paid for by project funding. I will ask Tasmanian Irrigation now to elaborate on any future plans they have for not only solar but any form of renewable energy uptake.

Mr SYLVESTER - Through you, minister: we have eight solar arrays in operation that effectively offset the pumping cost to irrigators, so it reduces the variable charge that our consumers experience. We also have three mini-hydro power stations: so the two in particular that offset variable charges is one on the Scottsdale irrigation scheme and one on the Midlands irrigation scheme, and we have a third mini-hydro situated at Meander Dam that partially offsets the cost there.

Consistent with our sustainability strategy, Tasmanian Irrigation has a sustainability strategy where we're very focused on our carbon emissions and our carbon accounting, and renewable energy is a part of our future for two reasons: I believe it's good stewardship from our perspective as well in minimising environmental harm and promoting good energy sources, but it is also a key ingredient in the design of schemes to reduce operational costs. As we've

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heard today from other members of the committee, whilst we've got a very niche product, it is also an expensive product and in balance with other cheaper water products in the state it's a combination of both of those that really add to the viability of the agriculture sector.

Prof RAZAY - Thank you.

Mr PEARCE - Thanks for the question.

Mr SHELTON - In the last 30 seconds? It's about water quality monitoring, minister, and it's been talked about already today, but what's Tasmanian Irrigation doing to ensure that it continues to monitor water quality statewide? The other one, which we talked about before, is how is the government supporting local agricultural research and development?

Mr PEARCE - Yes, and you raise an excellent point when it comes to water quality. Bear with me -

CHAIR - The time for scrutiny, unfortunately, of this organisation has now expired. Thank you all for your attendance and we'll have a pause in the broadcast for a moment, and we will organise the next appearance. Thank you very much for coming.

Mr PEARCE - Thanks, Chair. Thanks, committee.

The committee suspended from 10.45 a.m. to 10.47 a.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Metro Tasmania Pty Ltd

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr David O'Byrne
Mr Roger Jaensch
Ms Jen Butler
Prof George Razay

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent, Minister for Infrastructure and Transport

Metro Tasmania

Tony Braxton-Smith
Chair

Laurie Hansen
Acting CEO

(In support)

Jesse Penfold
General Manager Finance

Jacqui Allen
General Manager People and Safety

Kellie Dean
Company Secretary and General Manager Corporate Services

Damian Shirley
General Manager Business Transformation

Damian Arkley
Acting Chief Operations Officer

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Metro Tasmania Pty Ltd

CHAIR - Welcome everyone. I welcome the minister and staff of Metro Tasmania. We're now scrutinising Metro Tasmania.

Welcome to the minister and staff, CEO, Chair, along with others at the table.

The time for scrutiny is two hours. Members will be familiar with the practice of seeking additional information, which must be agreed to, to be taken by the minister or the Chair of the Board and the questions handed in writing to the secretary.

I invite the minister to introduce any other persons at the table, including names and positions. Then if you'd like to give an opening statement, minister, thank you.

Mr VINCENT - Thank you. On my right-hand side I have my chief of staff, Tim Lovibond. I will ask the Chair of Metro to introduce himself and anybody else at the table or who might be coming up to the table. Thank you.

Mr BRAXTON-SMITH - Thank you, minister. Tony Braxton-Smith, Chair of Metro Tasmania. To my side, Laurie Hansen, who is Acting Chief Executive Officer. We also have on the table behind us: Jesse Penfold, the General Manager of Finance; Jacqui Allen, the General Manager of People and Safety; Damien Arkley, the manager of Statewide Operations; Damian Shirley, the General Manager of Business Transformation; Kellie Dean, our Company Secretary; and Rowena Gilbertson, our Manager for Stakeholder and Corporate Affairs.

I might, during the course of this, ask them to prompt my memory on certain matters.

CHAIR - Wonderful, thank you.

Mr VINCENT - Three months ago I was appointed as the Minister for Infrastructure and Transport, and I've enjoyed getting to know Metro's bus operators on my travel. I recently visited the Moonah depot where I was able to see firsthand the work Metro does, delivering safe, reliable and accessible public transport for Tasmanians. As the state's largest Tasmanian-owned passenger transport operator, Metro connects communities across Hobart, Launceston and Burnie, completing more than 9 million service kilometres and providing around 7 million passenger journeys each year.

In 2024-25, Metro continued to modernise its systems and strengthen customer experience. A major highlight was the statewide rollout of real-time bus tracking, through the Metro Tas app, giving passengers live information on bus locations and arrival times. Within a week of the launch more than 42,000 people downloaded or upgraded the app, transforming the way Tasmanians plan their journeys.

Metro also advanced Tasmania's move towards a cleaner and more sustainable future, with the launch of the hydrogen-electric bus trial in Hobart. The commissioning of Tasmania's first hydrogen refueling station at Mornington represents a milestone in the state's transition to zero-emission transport.

Recruitment and retention remain a key challenge and an ongoing priority. In 2024-25 Metro continued to invest in improved recruitment and retention processes, expanded training

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capability and streamlined on-boarding for new bus operators. During the year, Metro's Put Your Career in Motion campaign attracted new talent, with 136 new bus operators trained and serving in their communities.

The company also continued to prioritise safety and wellbeing. The rollout of the security screens is well underway, and workplace injuries have fallen by 37 per cent in three years. Employee engagement rose to 65 per cent, reflecting stronger morale and pride in the organisation.

Metro's financial performance reflects the reality of a challenging operating environment. Like many public transport providers across Australia, Metro faces rising costs, ageing fleet pressures and a constrained revenue model. In response, the Metro Tasmania Board has engaged independent experts to identify efficiency opportunities and support longer-term sustainability measures, ensuring Metro can continue to invest in services, safety and innovation, while working closely with me as minister.

Despite these pressures, Metro remains financially responsible and focused on improving the experiences for customers and the community.

I also acknowledge the leadership of outgoing CEO, Katie Cooper, earlier this year who, after over five years, developed major advances in fleet renewal technology and sustainability.

Laurie Hansen, now general manager of business improvement and acting CEO, will continue guiding Metro's transformation as it enters its next phase.

Metro Tasmania ends the year with clear direction, strong foundations and a shared commitment to make the journey better for all Tasmanians. With a dedicated workforce, modern technology and sustainable transport trials now in motion, Metro is building a safer, smarter and more connected future for Tasmania's public transport. Thank you, Chair.

Ms BUTLER - Minister, Metro reported a loss for the financial year due to structural revenue pressures and rising costs, recording a loss before tax of \$5.9 million compared to a loss in the previous financial year of \$4.6 million. Patronage was materially at the same level. The annual report states the funding model put in place to support the half-price fares initiative effectively froze Metro fare box revenue at 2023-24 levels. This is also \$2.278 million below the 2019 levels, which is the revenue assumption on which DSG has fixed contract payments to Metro. Why is DSG maintaining the fixed contract payment on revenue assumption from 2019?

Mr VINCENT - I will hand that to the chair.

Mr BRAXTON-SMITH - Thank you. If I may, the current contract for services that Metro entered into with DSG took a period of time to negotiate. It was before the time that I was appointed to the board - indeed, everyone on the board has come subsequent to this agreement. The previous contract expired on 31 December 2019, and there were budget pressures and there was an extended period of negotiation. The challenge was that this was right in the middle of COVID so no-one knew where the financial results were going to go.

The structure of the contract was such that the risk on revenue was transferred from DSG to Metro. At the time the contract was entered into in 2022, it was acknowledged by DSG that

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there was going to be a need to address structural issues on the revenue side to achieve a sustainable funding position, but both parties wanted to understand, first off, where was patronage and revenue going to return.

The administrative arrangements they put in place for administration of the half-price fair initiative were - I think we had a difference of view of how to deal with it - and DSG prevailed with their administrative model which at the time we expressed some dissatisfaction about, but the underlying issue is there is a structural challenge long-term with the current contract which is in place till 2029.

Now it's also the case that both parties have been talking about things that could relieve the pressure. It's very clear to us that part of that is the introduction of new technology that enables us to run the network more efficiently. That's going to be part of the benefit of the introduction of HASTUS in combination with the ticketing system. HASTUS is a software program commonly in use in the industry, which enables you to program efficiently the use of your buses, rostering and scheduling of buses on any given network. We're scheduled to bring that in next -

Ms BUTLER - If we can go back to the revenue as such and the structural issues, that's what I'm talking about because that's from 2019. It's 2025, so I really want to interrogate that first today in the committee. I think that would work quite well because that speaks to why there is such a loss, and it mentions that in the annual report as well.

Why has the fixed contract between Metro and DSG, based on those revenue assumptions, not been rectified over that last six years - or even over the last three years post COVID? It really pretty clearly states that that is one of the reasons why Metro is running at such a loss.

Mr BRAXTON-SMITH - It is one of the reasons, but it's not the only reason. At the present time, there are three buckets: there are operational efficiencies, there are business efficiencies, and there is potential revenue adjustment. Those three together will address Metro's financial sustainability in the medium term.

We've had conversations previously with DSG and with the previous minister in relation to how we address the financial sustainability of the business. The government has confirmed its support, but we agreed that we should first look to our cost base to do what we can to improve the cost efficiency of the business before turning to the government to address the revenue gap. So -

Ms BUTLER - It's been since 2019, so just through the minister, sorry. Minister, is DSG or is the government deliberately underfunding Metro? Because that's no way to run a business. You're a business owner yourself. Why would you base projected revenues on figures from six years ago, knowing that it will lead your business to have a continual loss? Why hasn't this been rectified? Is it on purpose?

Mr BRAXTON-SMITH - I may on your behalf, minister, just to clarify, the contract was entered into mid 2022. It provides for annual adjustments for CPI and other factors on various lines of cost. As I said, in 2022, no-one was certain as to the direction it would go in relation to the patronage and that ultimately was going to be the determinant of our final revenue position. We've incurred additional costs during the intervening period -

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Ms BUTLER - Since 2019, yes, you have.

Mr BRAXTON-SMITH - Since 2022, the cost base - started from 2022 the revenue base was deliberately the year before COVID struck because that was the last reliable estimate, and everyone acknowledged at the time that COVID was a 1-in-100-year event. You would not base your forward forecast on a 10-year contract on something that was a 1-in-100-year event, which at the time was seen as something that would result in a dip and a return. That return of patronage has been experienced differently in different jurisdictions, but, in general, most jurisdictions have seen a patronage dip. Most jurisdictions are therefore dealing with a revenue -

Ms BUTLER - A revenue assumption.

Mr BRAXTON-SMITH - A revenue issue and the revenue assumption. I have not pressed either the minister or DSG on the revenue assumptions in the short term because I want to be clear and I think it's only fair to Tasmania's budget that we address what we reasonably think we can do in terms of our improvement to our cost base before we look for the gap in revenue. I say that because, yes, we estimate - and it's a pretty reliable estimate; it's about \$2.8 million that we would have received. That would not solve the problem. It would mean the loss is a smaller loss, but it's still a loss, so it's not simply me -

Ms BUTLER - It is documented, though, in the financial outcomes of the annual report:

The funding model put in place to support the half-price fares initiative effectively freezes ... the revenue assumption on which DSG has fixed contract payments to Metro. Adjusted for CPI, this translates into an impost of \$2.774 million per annum on Metro's underlying financial performance.

So it states there that the revenue assumption is one of the main reasons why. So it's stated in the annual report that there are structural issues and that's the main structural issue, so it looks like it's being deliberately run at a loss.

Mr BRAXTON-SMITH - On reflection, I can understand how you would interpret that from how I've written it.

Ms BUTLER - Well, an auditor or an accountant would read that as such.

Mr BRAXTON-SMITH - Yes, in effect - allow me to clarify. The revenue position - the way that DSG determined that they would administer the half-price fare policy was that they would make us whole up to the level of our revenue in the previous year, but they felt that because there was potential for patronage growth, there should be no advantage, in other words, to Metro.

At the time we were saying, 'Well, hang on, Metro's starting \$2.6 million behind anyway, so how about we take a different view?'. Ultimately, they prevailed last year, but that was not the cause of the \$2.7 million gap. It was adding to the pressure by whatever the delta was between, if I could put it this way, just going 50:50 on the fares as opposed to going 50:50 but only up to a cap of the previous year's revenue.

Ms BUTLER - I will come back to that in the next round of questioning.

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Mr BRAXTON-SMITH - The point is that the net impact is about \$100,000, not \$2.7 million. The net impact of that decision DSG made - and I will clarify that number; I'm sure Jesse is going to quickly do some math - the incremental impact of that decision by DSG to administer the policy in that way is about \$100,000, and DSG has reconsidered its position for this year, so DSG is effectively doing as we asked, which is to match the revenue we get from the half-price fare, which is where we were initially saying, 'Just top up the fare box 50:50'.

CHAIR - I'm asking questions on behalf of the Greens. I'm curious, Mr Braxton-Smith, about what the department is doing and what sort of costs are coming back and some of network modelling and so forth. Are any of those costs being borne by Metro to do some of the work that really ought to be done by State Growth?

Mr BRAXTON-SMITH - I think you're making reference to the Greater Hobart network review - yes? In the Greater Hobart network review, we are closely involved with the DSG on that and want to be closely involved, but to my knowledge, unless I'm mistaken, they are doing all of the modelling and therefore they're incurring the additional costs associated with getting third parties who have the relevant expertise to model how the revised timetable will work. So we're not incurring any incremental cost in that process.

CHAIR - What about overall cost?

Mr BRAXTON-SMITH - Overall cost is yet to be determined. In principle, we are looking at no increase to our net cost. The value of modern software is that whilst we're looking at those services where we're unable now, by virtue of changes in traffic conditions over the last 10 years, to meet the timetable requirement, we're looking at putting additional time into certain services. But that will be offset by finding efficiencies on how we schedule services across Hobart. That's the intent.

CHAIR - I might go to you, minister. This is a southern Tasmanian network review. Is there any input or contribution by private operators in relation to this network review?

Mr VINCENT - It's being done by DSG. I'm not across all their consultation methods on that but it's under review at the moment. DSG is responsible for the network, so they are the ones doing the work for their network to determine how that will come out to Metro and private operators.

Mr O'BYRNE - Minister, in August 2023 there were 177 services cancelled by Metro. Based on your responses last week in Estimates, 120 services remain cancelled. When will those services be reintroduced?

Mr VINCENT - I will pass on for a bit more information. However, about 33 per cent to 34 per cent have been reintroduced. We've held off on the rest until the Greater Hobart network review is finalised to make sure we're going to be maximising any increase in services to the right area where the volumes are needed, before those other - you said 127, was it?

Mr O'BYRNE - No, 177 were cancelled in August 2023 and 120 still remain cancelled.

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Mr VINCENT - Okay, 120. The work being done under the network review will ascertain where the network needs to be changed, extended, added or brought back into it. Laurie, do you have any more information on that?

Mr HANSEN - Not so much. DSG is going to introduce phase 2 of the Greater Hobart network review post changes taking place in May, which was the timetable to change to adjust running times and fix up the late running more than anything else. The network change at that time will look at all the services in the whole Hobart network and, in particular, those remaining services that haven't returned.

The concern is that a lot of those services that came out, as I understand it, were low patronage trips: trips that weren't priority trips, in a sense. They will find their way back into the service, potentially all the kilometres and the hours into other or new services, but it'd be a problem if they put them in now and then moved them out later on in the year.

Mr O'BYRNE - I think the people who used to rely on those services would find them a priority, with respect. The reason the services were cancelled was allegedly because of driver shortage. Now it seems it's about waiting for the review. So is it the driver shortage or is it the review? What's the major instigator for this?

Based on feedback from community at the time, they may have been low patronage but they were essential. Public transport is an essential service, particularly to people in the outer suburbs who rely on it. What's the issue? Is it that you're waiting for the review, or is it still the driver issue?

Mr BRAXTON-SMITH - We have sufficient drivers to operate the current network and that's what we've worked towards. It took us a lot of time and much more effort than we thought when we were asked to put on additional services. It will take us some months to recruit, train and build our workforce to that number, but that is not currently the constraint. What we have agreed to and DSG has asked us to do is to hold off on the introduction of further services, because they want to examine where the service need is greatest.

Mr O'BYRNE - You called the cancellation of services 'temporary'. You're now saying that it's no longer temporary, it's permanent - so that's an acknowledgement. Between June 2023 and June 2025, the company has had \$4.5 million in withheld payments because of your failure to honour the contracts you signed up to. Now you are saying that you're not going to restore those services because they are no longer temporary and you're waiting for a review, but we don't know when this review will be done and completed.

Mr BRAXTON-SMITH - I think you're putting a lot of words in my mouth, Mr O'Byrne. First of all -

Mr O'BYRNE - Well, convince me that I'm wrong.

Mr BRAXTON-SMITH - First of all, the contract has an adjustment mechanism in it, which is a service payment adjustment mechanism. It was put there because there is a notion that DSG, which is the party that is the procurer of the services, may at their discretion and for reasons that they have -

Mr O'BYRNE - You cancelled these services.

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Mr BRAXTON-SMITH - for reasons that they have, either add services to our schedule or ask us to remove services from our schedule. They've used that mechanism to adjust the payments they make to us today. That is the basis of the \$4.5 million, so it's not a withholding. It is a contractually based service adjustment and it does reduce our revenue and impact our financials.

Second, we have been working harder. I don't want to beat around the bush. When we made the decision about it being temporary we thought six months. That's what we thought it would take to rebuild our workforce. The fact of the matter is that if you look back eight to 10 years ago, we used to hire and train about 30 drivers a year. Coming out of COVID, the challenge became more than 100 drivers a year to sustain and grow our workforce. That required us to spend a whole lot of time and effort, much more than we thought, to scale up to be able to do that in an environment where we still had a higher level of turnover than anyone expected.

We called them temporary at the time because we were really focused on making them temporary. I well understand now, in hindsight, that we could have chosen a different name that maybe didn't allow you to create a moment of embarrassment for us, for me, but -

Mr O'BYRNE - With respect, I'm not playing semantics on cancelling or suspension. The issue is you cancelled them and you called them a temporary suspension. They are still 120 down from the 177, so are they permanently cancelled?

Mr BRAXTON-SMITH - I cannot say whether those specific services will or will not be returned. It will be a decision of DSG. We were working on a program to return those services to the timetable we were asked -

CHAIR - We will move on, thank you.

Mr O'BYRNE - He's still answering the question.

CHAIR - Well, your question was very long, but I know it was very involved and it was good to hear it.

Ms JOHNSTON - Your annual report indicates that of your workforce of 559 total employees, 85 per cent are male and only 15 per cent are female. That is an appalling statistic when it comes to diversity in the workplace. What are you doing to address that? Have you identified the factors that are leading to this appalling discrepancy and lack of diversity in your workplace?

Mr BRAXTON-SMITH - We would like more diversity in our workforce. We have been working hard on our recruitment programs to find a way to increase the diversity, but our first priority is to get sufficient drivers to be able to operate the network. We have many fine and long-serving female bus drivers, including one who was given the Bus Association's national award and has 25 years of service.

It is a fact that sometimes industries that struggle to fill their quotas are the industries that have the imbalance that we have. We're sensitive to the issue, but the fact is we have had things in place that structurally are perhaps not suitable or as suitable to attracting female employees. For example, in our enterprise agreement there were strict limitations in relation to the amount

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of part-time employment we could offer and the basis on which we could offer it. One of the things we worked on very hard during the renegotiation of the bus operator agreement was to introduce more flexibility into the enterprise agreement such that we are able to offer more part-time and more flexible employment conditions that might attract more females to our workforce.

That is where we've been. We have continued to address the short-term need, which is to go through a recruitment campaign to raise the level of awareness and create more understanding and visibility of driving buses as a good career choice. We clearly have some challenges and issues at the moment with antisocial behaviour, which challenges every gender. That may be a contributing factor, but we haven't yet as an organisation - Jacqui, I'm not sure if you've got anything to help me - got down into the details of what a proactive campaign might look like to change the gender balance. We've been ensuring more that we have a sufficient pipeline of suitably qualified and interested candidates we can train as bus drivers, irrespective of gender. That's the honest answer.

Mr JAENSCH - Minister, could you please provide an update on the process for recruitment of a new CEO?

Mr VINCENT - Thank you very much. I'm happy to take this opportunity to announce Metro Tasmania has appointed Jessica Payton to the position of chief executive officer, with a starting date of 19 January next year. Ms Payton is a senior transport executive with nearly 20 years' experience in heading up public transport reform. She will join Metro from the Brisbane City Council, where she is currently general manager of strategy and network services, leading a multidisciplinary branch of more than 200 staff and contractors.

Ms Paton's career foundation was built at Queensland Rail, where she held senior roles in operational readiness, training and workforce development. She has also played prominent roles in two of Brisbane's most significant transport projects, the new bus network, which she led the full delivery of, and the metro operational project, in which she oversaw the operational readiness program for Brisbane Metro and transition of Queensland's first zero-emission electric fleet. Her work experience covers strategic network planning, safety and risk, workforce training, network scheduling and event transport operations.

This is an exciting time in Metro's history with a number of key projects. I welcome Ms Paton to the role.

Ms BUTLER - There seems to be an assumption from this budget that we're debating in this committee at the moment that the half-price fares have contributed to Metro's significant revenue loss over the last financial year. Looking at your annual report under the 'Notes to the Financial Statements' on page 38, it says:

Ticket fare revenue is recognised when the passenger purchases a trip on a bus route. During June 2024 and the 2024-25 period, Metro's ticket fare revenue was topped up by the Department of State Growth to cover fares not received as a result of the State Government half-price fares initiative. The fare revenue for this top-up is recognised during the period that the bus services were delivered.

How much funding does the Department of State Growth provide to Metro to top up lost revenue due to the half-price fare initiative.

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Can I put that on notice? It's not a gotcha moment, because it's in here.

Mr BRAXTON-SMITH - I was just looking at Jesse to try to do the calculation. I will come back to you with the number before the close of the meeting.

The policy I was referring to before, the half-price fare effectively notionally means that our revenue is halved subject to any change in the mix of tickets, and the patronage number. So last year, if they had simply topped up the amount of revenue we received 50-50, we would have been \$190,000 better off. In other words, that's the incremental impact on the \$2.7 million. But we'll calculate the number that we were paid last year on that particular policy. This year, as I said, it's different. They are simply matching the revenue that we collect from customers.

Ms BUTLER - Okay, so the loss really has nothing to do with the half-price fares?

Mr BRAXTON-SMITH - It has a \$190,000 impact. Had the policy been administered differently and, look, it's a matter of how DSG interpreted it versus how we might interpreted it.

Ms BUTLER - Okay, if I've got that right, has there been any evidence that the half-price fare scheme increased usage at all? I know a lot of people, especially constituents who I deal with, have relied upon it.

Mr BRAXTON-SMITH - I think there's been a 2.5 per cent increase in patronage this year, but it's hard to isolate. What I can say is that in our most recent customer satisfaction survey, there was certainly a marked increase in customer satisfaction with value for money, but it has not necessarily resulted in the attraction of more people to public transport, not materially more.

Ms BUTLER - Okay. Also within your annual report, under the section 'Other Income', there's a grant income of \$8 million, or it's a bit over \$8 million, for 2024-25, and 2023-24, this one is for \$3,000,096. It doesn't say where the \$8 million grant came from. Can you provide that information to the committee?

Mr BRAXTON-SMITH - Well, the grant income comes through DSG, and its various budget allocations that are being made for initiatives that we're delivering in this particular period. I'll get you the detail and the breakdown.

Ms BUTLER - I can put that on notice?

Mr BRAXTON-SMITH - We will give you a breakdown of what that grant income was for, but, in general, it's for projects and things like the software programs that we're working on, HASTUS, and bus security screens, CCTV - there was a partial funding for some CTV, which again we've got more grant for this year - and the hydrogen buses, the electric buses. That's what you will see, and we will get you the breakdown of it.

Ms BUTLER - It's interesting because many of those other grant areas were discussed in your financials - it actually specifies what those grants are for, but this one just has 'grant income'. It doesn't have any explanation of it. For some of those other points that you've just raised, that is explained in the financials but that particular \$8 million, it doesn't say that it comes from DSG. It just says 'other grant income'.

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Mr BRAXTON-SMITH - I think you could call it government grant income because -

Ms BUTLER - But that's not what your financials say, which have been signed off by an auditor. That's why I'm trying to figure out why it's been documented that way.

Mr BRAXTON-SMITH - And they have been signed off by an auditor, which means the auditor hasn't sought for us to clarify it.

Unknown - Because they are happy with it.

Ms BUTLER - Well, not necessarily. We don't know what questions they asked.

Mr BRAXTON-SMITH - Look, in the interest of clarity and transparency, we'll provide you with a full detail of the grants.

Unknown - [Inaudible].

Ms BUTLER - That's not the process. You know that, minister, sorry.

Mr BRAXTON-SMITH - In the interest of transparency, we'll provide you the full detail of the grants. I omitted to say the government also supported us with a once-off 10 per cent increase to bus operator wages and the grant income associated with that is also in those numbers for the year.

Ms BUTLER - You'll provide that -

Mr BRAXTON-SMITH - We will provide that with a breakdown.

Ms BUTLER - Thank you very much.

Mr BRAXTON-SMITH - For our next annual report we will sharpen the wording a little bit to assist you.

CHAIR - All right. I want to go back to the theme of Ms Johnston's question. I think the workforce is 85 per cent male presently, so recruitment was deemed to be a problem with driver shortage, safety and so forth and gender balance. Do you think - and this might be a question for the acting CEO - there's an issue around culture within the organisation?

Mr HANSEN - Not necessarily culture. I think the nature of our rosters over the years has changed quite a bit. Part-time work is a strong attractor for women, particularly if you design those duties to reflect finish before school finishes in the afternoon. Lock them in with the school time.

CHAIR - For that traditional family?

Mr HANSEN - Historically that's what has been in place and there were a number of part-time shifts. It's one thing that we've initiated at the management level that I've asked the rostering and planning people to commence looking at what we call 'spread shifts', which is four hours in the morning and four hours in the afternoon and four hours off during the middle

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of the day. Split those into two part-time shifts, and see how we can make those more attractive for potentially women to seek employment.

The other area is that historically we used to have what we called 40-week drivers. Those 40-week drivers took their holidays during the school term the same as a teacher would. The largest cohort working in that particular group were women and it was attractive for childcare during school holidays. Also, during an earlier period we had a situation where we sought exemption from the Anti-Discrimination Commission to exclusively recruit female drivers. We were granted that after a period of time. For a period of two to three years that's what we did. Our cohort of drivers at the time was around 30, 35-40 per cent, we got up to.

CHAIR - When was that?

Mr HANSEN - The 1990s.

CHAIR - So, you're talking about historically?

Mr HANSEN - Historically, but there's nothing wrong, or no reason why we can't revisit some of those strategies and policies and see how they work into the future. I've asked people to look at that while I'm here. In terms of culture, there's no doubt that bus operations is a 'blokey' culture - it's referred to as that everywhere. That was one of the reasons why having more women in the workforce, particularly the driving workforce, was fundamentally important, because it -

CHAIR - Reduced crime, didn't it?

Mr HANSEN - Well, not so much that. It allowed the relationship between the end user and the driver, particularly the student cohort, to be better managed. Less stress. There was a strategy behind all that and it did work at the time, so we got it up. Those sorts of things I've asked people to look at now to see what they might be able to do in the future.

Mr O'BYRNE - Minister, my questions are about common ticketing. I understand that the current activity is more centred on DSG, but I wanted to understand the journey that we've been on with this one, that you've inherited. I have a couple of specific questions.

Minister, did Metro engage with a company called Cormeum Consulting, who were marketing Cubic as the best company to undertake the common ticketing in Tasmania? If so, what year was that?

Mr VINCENT - Thank you, Mr O'Byrne, I will refer that to the Chair.

Mr BRAXTON-SMITH - We will have to take that question on notice. My understanding is that Cormeum was providing advisory services in some capacity, but it predates my time.

Mr O'BYRNE - Okay. Follow-up question: did a principal advisor from Cormeum Consulting then become employed at Metro? What year was that, and what role were they in at Metro?

Mr BRAXTON-SMITH - I will take that question on notice.

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Mr O'BYRNE - In 2022-23, Metro Tasmania gave Cormeum Consulting a \$388,000 contract related to the common ticketing project and, in 2023-24, the company received a further contract for \$105,000. Assuming the answer to my questions prior - that I acknowledge you will take on notice that this person was engaged - is Metro satisfied that there was no conflict of interest here?

Mr BRAXTON-SMITH - As I've indicated previously, to my knowledge, Cormeum Consulting performs advisory work and uses expertise in the field of ticketing. You've described them as a marketing agency for Cubic. I am not aware that they have been appointed as a marketing agency. I know them tangentially from working on another ticketing project. I know them to have some expertise in ticketing systems. I will take the question on notice as to - if I may.

Mr O'BYRNE - Can I confirm that the minister can take that on notice?

Mr BRAXTON-SMITH - I will find out what we engaged Cormeum - what their scope was, and I will advise.

Mr O'BYRNE - The specific question is, have staff or any consultant from that consulting firm, as a principal, been employed by Metro?

Mr BRAXTON-SMITH - Employed by Metro?

Mr O'BYRNE - That's right. Minister, are you agreeing to take that on notice?

Mr VINCENT - Certainly, the Chair is, yes.

Prof RAZAY - Honourable minister, I'm hoping the Metro Chair and the CEO can solve one of my intriguing mysteries. As we know, transport is a major contributor to air pollution, which is contributing to one of the highest rates of chronic lung diseases in Australia, here in Tasmania. I feel buses can help greatly by reducing carbon pollution emissions. I've been preaching to people to use more buses, but unfortunately, the statistic is not helping. Less than 3 per cent of Tasmanians use buses, and bus use accounts for less than four kilometres travelled as well. I'm trying to say, how can we change that culture? The statistics also show more than half-a-million vehicles registered in Tasmania - that's an 80 per cent increase since 2008. So, please help me - it's not about price. We even had the free Tiger Bus in Launceston. After 14 years, it stopped in the last month. How can we change that culture and move?

Mr BRAXTON-SMITH - That's a very big question to ask. If I could be succinct in it, then yes, generally it's been demonstrated that it's not about price. You look in other jurisdictions and it's about the journey that people need to make and the availability of alternative modes, and what it means for them in terms of time. So, it's competitive journey times, it's frequency of service, it's convenience of service, how accessible it is, and time of day.

I would hazard a guess that DSG has studied this particular question in more detail. I know that they have set targets for increased mode share in Hobart and they've put together a plan that, I think, is called Moving Hobart. They may well be able to shine more light on it.

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I'm sorry - you're asking someone who knows about public transport and what drives patronage in public transport and what constrains patronage growth in public transport - the question of the culture is a much bigger question.

Prof RAZAY - Are you saying that, unless we have like a complete network that covers all the suburbs within the CBD, with an efficient and frequent service, otherwise, we can't change it? That's, I think, the main thing.

Mr BRAXTON-SMITH - I wouldn't say you can't change it. I can say there are levers that can be pulled to influence overall usage of public transport, but ultimately those levers are kind of driven by people's customs, people's habits, people's needs.

CHAIR - And policy.

Mr BRAXTON-SMITH - Obviously, an allocation of funds to public transport in a constrained environment requires some trade-off decisions to be made, which are policy decisions for those in elected office.

Mr JAENSCH - Minister, in an answer to a previous question, the Chair made reference to a customer satisfaction survey. I think it was around value for money or something like that. I'm interested to hear what else you have learnt from your customer satisfaction review, how Metro is seen as a transport of choice?

Ms BUTLER - And will you table it? That'd be great.

Mr JAENSCH - Well, it's my turn to ask questions at the moment. I will ask the first one first.

Mr BRAXTON-SMITH - Well, the customer satisfaction survey we conduct regularly, annually, but there were a couple of years during COVID that we deferred it.

In the latest survey, overall satisfaction with Metro has increased to 78 per cent compared with 69 per cent the prior year. Highest levels of satisfaction are around the service provided by bus drivers at 86 per cent. Personal safety and satisfaction with service reliability was lower - in other words, late-running buses or cancelled buses, cancelled services.

The survey showed improvements in cost of travel - value for money is now at 91 per cent - and with journey time, which is, as a public transport professional, interesting. So, that is the short of it.

Mr JAENSCH - Would that have captured the period with the modified fares?

Mr BRAXTON-SMITH - That would have captured the period with the modified fares. That would have also captured the period with the service cancellations, temporary service adjustments, call them what you will.

Mr JAENSCH - You might see one of those going up and the other coming down in that same period? Compared to - well, if you've got cancellations and lower fares, you could expect to see higher satisfaction with value for money, lower satisfaction with availability of -

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Mr BRAXTON-SMITH - Satisfaction with availability of service has returned to its prior level.

Mr JAENSCH - Okay.

Ms BUTLER - Thank you, Chair. Just in relation to the customer satisfaction survey, would it be possible to table the outcomes of that survey for the committee?

Mr BRAXTON-SMITH - We can certainly table the outcomes of the latest survey

Ms BUTLER - Thank you. Excellent. On the -

Mr BRAXTON-SMITH - Taking the question on notice, we can't table it here, but we will respond to your question on notice.

Ms BUTLER - And to confirm, that's not a part of the review where that consultation closed just recently, is it? That's a different survey.

Mr BRAXTON-SMITH - That's a different survey.

Mr JAENSCH - You've just asked for it to be tabled, so what were you asking?

Ms BUTLER - I'm just confirming because there are two surveys at the moment. There's a review that is being undertaken at the moment, but it's all bus, so it's private; and Metro across the state, so, that's a different one. But that community consultation, I believe, closed on 20 June, if that's correct?

Mr BRAXTON-SMITH - That would have been conducted by the Department for State Growth. We conduct a customer satisfaction survey amongst our customer base.

Ms BUTLER - Yes, thank you.

Mr BRAXTON-SMITH - We will provide on notice a copy of the most recent report and some comparatives for you.

Ms BUTLER - Thank you, that's lovely.

On 20 March, bus drivers took industrial action after Metro health and safety reps issued a cease work direction to protect frontline workers. At that stage, they were saying that it was due to the rise in robberies and physical assaults that had created an unacceptable risk to the members. They called on the state government to follow through on its commitment to train and deploy transit officers across the state. It was the former secretary of the RTBU who stated that 'not enough was being done to improve driver safety.' The government promised transit officers two years ago. Is there funding for transit officers' services in the budget, minister?

Mr VINCENT - If we can just double-check that. We might come back to that.

Ms BUTLER - I can take that question on notice.

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How many transit officers are currently operating on Metro services and are they permanent positions?

Mr BRAXTON-SMITH - The transit officers are managed by the Department of State Growth. They contract the transit officers, they deploy them on our services, and I think other services -

Ms BUTLER - They do, but because this is a Metro - I'm interested in Metro because that's what we're -

Mr BRAXTON-SMITH - Yes, so in relation to Metro, we have a close working relationship with the contractor, Wilson Security. We gather intelligence on where incidents occur and they deploy in accordance with those incidents to assist with those. We're working closely with them to provide feedback when they're managing incident response. My understanding, without knowing the details, is that government has committed to further support of the transit officers, which I think were initially a trial. We welcome that as we welcome their investment in new CCTV. They've very kindly given us an allocation to retrofit the entire fleet with better CCTV, with live CCTV feeds, right back to our control centre, which will enable us to work more proactively both with Wilson and with police, with whom we also have a good relationship. They have four people based out at the Moonah depot and we work closely with them on incident response and proactive deployment.

Ms BUTLER - This might be a better question for me to ask the minister, then. It's in the same topic area. Minister, do you know how many transit officers there currently are, through that DSG contract? How many are on Metro services and are they permanent positions?

Mr VINCENT - I will have to take that on notice, thank you.

Ms BUTLER - Okay, thank you. Do you -

CHAIR - Last question, Ms Butler.

Ms BUTLER - see that transit officers are essential to protect frontline workers, minister?

Mr VINCENT - Yes, I do. As part of wandering around, if I could put it that way, up and down the bus mall talking to the drivers, I spoke to quite a few of the transit officers and they were training a couple of new guys the day I was there. They were very switched on to the areas they needed to concentrate on where they went. They were very complimentary to the whole way it was operating; the bus drivers liked having them around in some of the routes that had issues. I was amazed by their positive nature towards their role. I was part of a conversation they had with the trainees, where they were heading out to a couple of different areas where there'd been some issues a few days beforehand, to run through very specific techniques and methods they use in those areas. So, I will say yes, certainly under today's circumstances they are essential and will be expanded.

CHAIR - My question is about the real-time tracking. Minister, in your opening address, and I think at other times when you had the opportunity, you talked about the success of the real-time tracking. We are inundated in our office by people who catch buses, myself included,

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who don't have any success with the real-time tracking. Quite often buses don't - you're looking askance, Mr Braxton-Smith; I'm surprised that you haven't heard this before.

Mr BRAXTON-SMITH - No, I - it's just that you are saying that you don't have any success. I actually caught the 205 here this afternoon, and it told me that it was going to run a minute late, and arrive a minute early, and by golly it did.

CHAIR - Well, good luck to you, because it's very hit and miss, and I suppose that's part of the problem. Minister, how can you say that this is successful? How do you manage or monitor the success of real-time tracking? Honestly, it's not living up to expectations.

Mr VINCENT - I will ask the CEO to come in on this in a second. I've had positive feedback from a lot of the people I've spoken to. I can honestly say that I do not believe I've seen any negative feedback come through in letters to my office at all, and we receive a lot of mail. Talking with various parts of Metro, including the drivers, there seems to be positive feedback. I certainly hadn't heard any response like you've just made about issues with it.

CHAIR - I've raised it in the parliament, I don't know how you've not heard it there as well.

Mr VINCENT - I'm sorry, I haven't.

CHAIR - Honestly, I find this incredible. We will move on unless you have an answer as to how it's surveyed and how -

Mr BRAXTON-SMITH - I certainly can give you some context and help you to understand in a bit more detail what is happening. There is a unit that's installed on the bus, the purpose of which is to broadcast the GPS position of the bus in real-time. It sends that information up into the cloud to a provider that is managed by DSG. That provider takes the real-time data, we've matched it to a route, and it then sends it down the pipe to our app and to Google. That is the system architecture in very simple terms.

The way it has been designed, there are some issues, which are known faults or faults that we're discovering. No. 1, the equipment that's installed on the bus sometimes, because of vibration, goes nonfunctional, so then it won't send detail on its position. No. 2, at times there are issues with kind of the predictive algorithm, which I think will be something that could be answered by, potentially there could be issues with the provider. The other issue is that, in the current configuration, we sometimes swap the bus out, so we do a predeparture check on the bus to make sure it's safe for operation, but our data tells us that 85 per cent to 90 per cent of the time -

CHAIR - Successful 85 per cent to 90 per cent.

Mr BRAXTON-SMITH - there is no problem. I would agree there is opportunity for improvement. I would say I can well understand the annoyance with the app but let's be clear, it's nothing like the Bureau of Meteorology app in terms of the issues that it creates -

CHAIR - Please. Honestly, I don't find that funny at all.

Mr BRAXTON-SMITH - In fairness to us, we've spent \$70 000 on our app.

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CHAIR - Before I pass to Ms Johnston, this is from a constituent: we don't track a single service from Elizabeth Street and when it does track, there are ghost services that are tracked and are at least five minutes off schedule, just FYI.

Mr VINCENT - Chair, before we go to Ms Johnston, I have some details on the budget.

Transit officers funding is contained within public transport services and support line item within table 12.1 on page 239 of Budget Paper 2, volume one, \$2.38 million. The rest of the numbers on the transits we still need to get for you.

Ms JOHNSTON - To you, Chair, you're obviously engaging in a heavy recruitment drive, and you are training as many new bus drivers as possible. Are you able to provide the committee with a breakdown of the numbers of drivers trained per year over the last three years and, of those drivers, how many have continued or taken up employment as drivers with Metro remain in employment 12 months after their training?

Mr BRAXTON-SMITH - Over the past three years, I'm going to have to gather more information and take the question on notice. I can say in the year 2023-24, we recruited, trained and put on roster 116 drivers. This financial year, I think, the annual report says 136 drivers. To give you an illustration, in the period February to November, through our training program, we trained, inducted and graduated to our roster 99 drivers. In the same period, 74 drivers departed the organisation.

As indicated before, we have continued to experience high rates of turnover. In our exit surveys, what we find is approximately 40 per cent of the drivers leave for reasons that are not connected with Metro, nothing to do with the job. Another 30 per cent leave because of interstate moves or changes in personal circumstance. The balance is not happy with the work conditions, whether that's antisocial behaviour, hours of work, or just straight out pay, but that's what I can tell you and I will provide you with further detail.

Ms JOHNSTON - Are you able to do the breakdown of the retention of drivers who've just been trained? After 12 months how many of those drivers you've trained remain in the position?

Mr BRAXTON-SMITH - We can provide you with some analysis of that. We will take that question on notice.

Prof RAZAY - Minister, the worker compensation claims are increasing dramatically, and working in transport is a major stress for people, especially with, as you say, anti-social behaviour. Do we have figures of compensation claims in our transport department or Metro?

Mr BRAXTON-SMITH - We will have figures because we do track and pay close attention to workers compensation claims and to injury rates over time. You will see in our annual report - I can't quite remember the term we use - but in terms of key performance targets, we do have lost time injury frequency rates. That is the number of lost time injuries per million hours worked.

In general, what we have seen is, yes, a sharp increase in the period pre-COVID, over the period of the last five years. What's happened over the period of the last five years is that there's been a change in the mix of injuries from predominantly or almost entirely physical injury, to

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psychosocial injury. Psychosocial cause is almost 100 per cent as a result of antisocial behaviour. We have been successful in reducing the overall rate of injury. I'm not going to declare anything near victory here, because we have, pardon the pun, a long road ahead of us. We acknowledge that in terms of dealing with the sources of lost time injury in the workplace, but we are making progress, the numbers are trending down.

If I look briefly at workers compensation claims lodged and we go from March to March in our year, they went from 26 in the period 31 March 2020 to 31 March 2021, up to a peak of 49 in the period 31 March 2023 to 31 March 2024. Last year they reduced to 40 claims and this year we are trending less.

As I say, it would be premature to predict the full year outcome. The pleasing thing is, in all of that, we've also been able to reduce the number of lost time hours. We work hard on trying to get workers back into the workplace, even on modified duties to the extent they're available sooner, because it's better for them and better for the organisation and has been shown to produce better outcomes. It is a key concern for everyone at Metro, because safety is everyone's responsibility.

Prof RAZAY - Is safety a major issue for drivers? You have some cities where they are protected in their driving area, you see that in European countries.

Mr BRAXTON-SMITH - Certain jurisdictions have screens, and buses are built to provide a separate compartment for drivers. That's not been the case in Australia. We have a program we're now rolling out for bus driver screens; it's been supported and funded by government to the tune of around \$2 million. We are currently deployed on about 70 per cent of our fleet where we have installed the screen. We've had to go through a long consultation process, because we need to ensure that drivers still have adequate lines of visibility for safety purposes whilst they're driving. We're currently deploying those screens and that does deflect the problem, because they're less likely to be subject to assaults. That certainly doesn't stop abusive or aggressive behaviour, or other incidents. It's one of the suites of tools that we're using to try to address antisocial behaviour.

Finally, to give you context, we run about 640,000 bus services a year, and we experience in total including vandalism, assaults, attempted thefts, aggressive behaviour, assault passenger on passenger, amounts to slightly less than 0.1 per cent, of about 600 incidents. It's alarming because that's a 400 per cent increase in Hobart and a 180 per cent increase overall in the last five years. But it's a trend everywhere: in public transport, for retail workers and frontline workers generally, and we are getting the same issues.

Mr JAENSCH - Minister, in terms of recovery of passenger numbers on public transport services post-COVID, is the experience in Tasmania similar to what's happening in comparable jurisdictions elsewhere, accepting that Melbourne and Geelong might be different and more comparable to here than elsewhere. What's happening in those jurisdictions to recover patronage post-COVID?

Mr BRAXTON-SMITH - If you want to defer to me. There are some interesting studies and, in essence, those jurisdictions that had lockdowns for longer periods are having more challenges in the recovery of patronage. In most jurisdictions there's been an ongoing change in work and study habits which has altered the way people use public transport and move around generally.

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In Sydney, patronage is below its pre-COVID level and, from memory, Adelaide is as well, but beyond that, there are studies and we could get some information for the committee if it was of interest to you.

Mr JAENSCH - I'm less interested in that. I'm more interested that when we've had discussions here about revenue changes, different strategies to address the costs and provision of these services and the utilisation of them, there's an underlying pattern across the country that we're part of, isn't there?

Mr BRAXTON-SMITH - Yes, and across the globe.

Mr JAENSCH - Yes, and no-one's found the silver bullet yet.

Mr BRAXTON-SMITH - The secret sauce? No.

Mr JAENSCH - Okay, so that's something still out there that we're grappling with.

Ms BUTLER - Minister, there's been a lot of talk about which bus provider is going to provide the rapid bus services for the northern transport strategy. I'm also hearing rumours around the department considering bringing in Kinetic to run the services to the Macquarie Point stadium instead of Metro as part of those rapid bus services. What are your thoughts in relation to that? If I am hearing those rumours, is there anything to that?

Mr VINCENT - You must move in different circles because I haven't heard those rumours.

Ms BUTLER - Can you confirm that it will be Metro that will be providing the rapid bus services to the stadium?

Mr BRAXTON-SMITH - Typically, stadium services require all operators to respond because of the nature of demand. I would expect that both ourselves and Kinetic are operating services, and any other bus operator, because Tasmania will need to move substantial numbers of people by public transport to the stadium on match day, as is the case in Adelaide, Sydney and Perth. All operators will be involved necessarily to provide the capacity that's needed.

Ms BUTLER - Will Metro be providing the rapid bus transport services to Macquarie Point stadium and, I suppose, from the Moonah interchange and through that corridor? Who will be providing those services? Will that be Metro or are you going to privatise that to Kinetic?

Mr VINCENT - No, there's no full plan at this stage. That is still being worked through the transport plan for that. I think the chair is quite correct in his assumption with his experience around other stadiums and Australia, that it takes all operators to be able to move that number of people in a short time.

Ms BUTLER - So you will rule out privatising the rapid bus services to the stadium?

Mr VINCENT - There's probably two things there. Events is one thing. The strategic plan for the rapid buses is still being worked on. Events for a stadium, should it get up, would

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be a separate plan altogether, where the chair has indicated that he believes everybody would need to be involved with those numbers.

Ms BUTLER - Will Metro be able to provide the rapid bus services?

Mr VINCENT - It comes down to when the event might be with their normal bus timing, but it would be part of the plan.

Ms BUTLER - I mean as part of that strategy and the Macquarie Point stadium and that corridor, that will be Metro? That's not going to be privatised?

Mr VINCENT - I have heard nothing along those lines.

Ms BUTLER - Okay. Will there need to be legislative change to introduce P2 bus lanes?

Mr VINCENT - Sorry, I haven't had that discussion at this point in time.

Ms BUTLER - Okay, can I put that on notice? I understand there could be a deficiency in the current laws for us to be able to introduce those. Also, is the geography available to instal P2 bus lanes as part of the rapid bus strategy going to Macquarie Point stadium?

Mr VINCENT - I haven't seen that in the strategic plan at this stage but that's still being worked on. I know the whole northern corridor is looking at the capacity of the three parts of the corridor, which is the rail line, the highway and the main road as all parts of the solution, so what is being looked at there is quite broad.

Ms BUTLER - Because there's really not much geography -

CHAIR - Ms Butler, it's time to move on. I have the call.

Minister, what's your understanding of rapid buses? Are they a specific type of bus?

Mr VINCENT - I just want to point out, Chair, that the rapid bus network is a project of the DSG, not Metro. The buses that are being considered are a different type of bus.

CHAIR - Okay, so you'd have a different type of bus and it wouldn't be suitable to have a Metro bus as it's configured now to go on there.

Mr VINCENT - I will ask the chair to expand on that, please.

Mr BRAXTON-SMITH - Based on my experience, the definition of bus rapid transit takes a number of forms: dedicated corridor; on-road corridor; or simply an express or semi-express service. Sometimes, as we did in Sydney, we go with a dedicated fleet, the B-line, but it was on-road and didn't operate on any other services. For a period of time there were others that were termed metro buses, which were rapid bus services on road and could perform any service.

We haven't had any engagement with DSG yet because they're in the planning phase, but I anticipate that at a certain time they will want to understand their options as to how they

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deliver that service. Our new chief executive has had a lot of experience in that, coming from Brisbane, where they've spent a lot of time developing and delivering bus rapid transit.

CHAIR - What's the current bus usage across southern Tasmania? What's the percentage of people using public transport, not including ferries?

Mr BRAXTON-SMITH - That data will be held by DSG; it's not gathered by us. You're asking about the percentage of mode share, or are you talking about the number of people who travel on buses?

CHAIR - Tell me how many people travel on buses in the southern area, if you wouldn't mind.

Mr BRAXTON-SMITH - Okay. On our services we have somewhere in the annual report, I think, a breakdown by geography. I refer you to page 16 of the annual report showing boardings in Hobart, Launceston and Burnie separately. It shows 79 per cent of our total patronage is in Hobart, so on a quick calculation that would be 5.6 million trips, but that's trips, not people.

CHAIR - Yes, and it's too difficult to work that out. The modal shift in the stadium proposal puts a lot of emphasis on bus transport. At the moment we have a relatively low uptake of bus transport, would you agree?

Mr BRAXTON-SMITH - Yes.

CHAIR - Comparatively to South Australia and Queensland?

Mr BRAXTON-SMITH - Compared to any other capital city, the percentage of journeys from to work to CBD is low.

CHAIR - How do you envisage that sort of change to get people on buses, for the stadium or otherwise? How would we improve that?

Mr BRAXTON-SMITH - That's probably for DSG to advise on, but my understanding is that DSG has put forward a plan called Moving Hobart that contemplates a bus rapid transit network. In general, the strategy that's adopted in any other city for game day is they put on a BRT network and it's all hands on deck to provide the capacity service frequency along the corridors that is needed.

CHAIR - Thank you. I don't think that really goes to the heart of my question, but we will move to Ms Johnston.

Ms JOHNSTON - Thank you, Chair. I might keep going on that line of questioning, regarding all hands on deck for events at a stadium. The government has indicated that an additional 80 buses would be required for major events at the stadium. I think in a previous answer to Ms Butler, you mentioned that all services, so Metro, Kinetic, and other private operators, will be needed to provide that particular service. Has Metro turned its mind to how many buses they would have available for a major event day? How they would resource the drivers given that we don't have enough buses and drivers at the moment to run our basic public transport system for necessary trips to school and work and doctors and hospitals and all those

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kind of things, employment, let alone for an event day? Where are you finding these drivers and buses?

Mr BRAXTON-SMITH - We have not yet commenced the detailed planning. To be candid, I personally don't even know the date that the stadium will be open, but I imagine that as we go into the next phase, we will be doing a lot of more detailed planning and working collaboration with DSG. Our new chief executive hails from Brisbane, where she has been intimately involved in the planning of the game day arrangements for the Olympics and currently has responsibility for event transport for the greater Brisbane area. So, we're hiring someone with the relevant skills and capability so that we can step up to the plate and provide detailed advice.

Ms JOHNSTON - I don't want to put words into your mouth, but are you suggesting that you haven't been consulted by the government or MPDC in the development of their transport plan around how many buses and whether that's something that you could actually meet? In conjunction with other service providers, I recognise that. But, have you had any consultation from MPDC or government in relation to the transport needs, particularly, the bus needs for major events? Has Metro been asked to provide input into that at all?

Mr BRAXTON-SMITH - We provided high level input.

Ms JOHNSTON - But haven't modelled what that would look like, whether you could actually do it?

Mr BRAXTON-SMITH - The modelling is very preliminary. I imagine that they have a strategic - well, it is the Department of State Growth that would have a strategic transport model and they would be doing the modelling. That's not within our ability.

Ms JOHNSTON - But they don't know if they can actually have the drivers?

Mr O'BYRNE - Thank you, Chair. Through you, minister, to the chair. It's no secret that Metro has had some industrial issues over the last few years. In last year's hearing, I raised a question about the use of consultancies in that regard, in HR. In last year's report, there was a payment to Adaptable HR for the tune of \$138,000. That was, as I understand it, based on my memory from questions, over a five-month period and the key person in that company was a person who received a significant payout, a former employee of Metro. Looking at this year's consultancies, Adaptable HR has received a further, let's see, \$142,600, so \$143,000.

You've also used a number of legal companies there, two of which, I think, focus very much on industrial relations: Edge Legal for \$221,000 and Page Seager for \$141,000. My understanding is that the bulk of that has gone to HR and industrial relations work. You're spending a lot of money on external consultants, trying to manage your industrial relations. Do you think that's value for money?

Mr BRAXTON-SMITH - First, to clarify, the money that was spent on consultants in relation to the renegotiation of the enterprise agreements, plural, is - we engaged Adaptable HR and we engaged Edge Legal. Those are the two parties. To clarify, Page Seager provided us advice on other matters, not industrial matters.

Mr O'BYRNE - Thank you.

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Mr BRAXTON-SMITH - To give you context, we had three industrial relations agreements that were coming up in short order and they covered everyone in our workforce bar the management, so close to 500 employees and a payroll of approximately \$40 million. Those employees were seeking increases and improvements to pay and conditions. We needed to secure changes to enterprise agreements that would enable us to introduce efficiencies that other bus operators enjoy in interstate jurisdictions and to be able to make full use and get full benefit of the investments that government is making in the new software on the network.

In short, and to put it in context, \$40 million per annum, is what we spend on wages. In an environment where we were negotiating the reset of terms of each of those agreements, we spent \$400,000 in its entirety on external advice and guidance that helped us to secure new agreements, less than or about 0.1 per cent of one year's payroll. We've secured terms that are better for our employees and give them not everything they want, because no-one gets everything they want, but get them far more than they had and give the organisation the opportunity to deliver efficiencies and better use of Tasmanian taxpayers' money.

And, if I can just clarify, while I'm on it, you made an assertion earlier that there was a payout for an employee of Adaptable HR. We had engaged, for a short period of time, an employee of Adaptable HR as our chief operating officer. She was remunerated in accordance with her executive contract. There was no payout. She left. She stepped out of Adaptable HR to perform duties for us on an agreed contract of employment and she left at the conclusion of that term.

Mr O'BYRNE - I think previous reports differ, and I appreciate the detail -

Mr BRAXTON-SMITH - With the exception of her leave entitlements. That was the payout.

Mr O'BYRNE - Yes, okay,

Unknown - That's entitlements; you have to look after people's entitlements.

Mr O'BYRNE - Well, there's annual leave and sick leave, but there's a whole range of other things that, if you - anyway. We can get into the reeds on that.

I appreciate the detailed answer in terms of the \$400,000 expenditure. What you omitted to refer to is your existing standing HR and industrial relations capacity. You have people internally, and most GBEs and SOCs have an internal resource to manage these things. My question about the extent of the external advice - surely you have an internal capacity to manage these things from time to time - is spending \$400,000 justified in terms of the bit that you omitted, your existing standing resource and the role of your CEO, to fix these things?

Mr BRAXTON-SMITH - We have a small team. It is a small team and, at the time, there were a couple of key positions who were new to the organisation, the chief operating officer and the general manager of human resources. Our assessment was that it was important to have someone to assist both of those parties and we had a vacancy in our IR manager role, if I'm not mistaken, which was not filled at the time. We've since been able to fill that role. We are not anticipating needing to put that level of resource to it at this time, at this next turn, but through force of circumstance, this was the kind of business judgment that was exercised as to

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how to best deal with the negotiation of our enterprise agreements. What you're seeing in front of you is the financial consequence of those decisions.

CHAIR - Mr Jaensch, you have been waiting very patiently.

Mr JAENSCH - Thank you very much, Chair, I've been trying my hardest.

Minister, the Tasmanian government has provided Metro with \$1.6 million to upgrade its CCTV technology. What benefits will this deliver for Metro and its passengers?

Mr VINCENT - Thank you for the question. It was quite interesting, going in totally new to this portfolio and understanding the difference in the buses and the different systems that were already in place. Some of them were getting past their serviceable life and no longer had capacity to be as active as they need to be. Technology has changed a lot with cameras as well and also, the positioning of cameras and how you can feed live, and we all felt that it was very important that this happened as quickly as possible.

Mr JAENSCH - Feed live as opposed to record?

Mr VINCENT - The replacement of the whole fleet first up and to make sure that it had live feedback, so the drivers could utilise that; for instance, the police or transit officers could be informed of something that was actually in a live situation and see if they could respond. It was going to be an awkward process of changing it all around, so this money allowed for this to happen a lot quicker, to give drivers, staff and administration a comfort level that they wouldn't have had if it had of been spread out over several years.

Mr JAENSCH - And, predominantly, internal to the vehicles, monitoring and covering passengers and that space that they're in, as opposed to dash-cam type - what else is happening around the -

Mr VINCENT - I will check with the CEO on the cameras and how many there are on each bus and what they are covering.

Mr BRAXTON-SMITH - In the current solution there are eight CCTV cameras on the bus which are pointed internally. Currently with the legacy system, the bus has to return to the depot before you can download the CCTV. The new system we're in the process of procurement, but we have specified the capacity to live stream so that we can give those who have authority eyes on capacity.

Mr JAENSCH - Does that mean the driver can activate the live -

CHAIR - Mr Jaensch, we will move on. Ms Butler.

Mr JAENSCH - Some people get three or four questions on their turn, Chair.

CHAIR - Well, you're special.

Ms BUTLER - Why are there no bus services to Brighton on a Sunday? That would be the 521 and the X21. It's a high-growth area. I know there's a petition circulating at the moment because the community require it, but there is no bus service to Brighton on a Sunday.

PUBLIC

Mr HANSEN - I believe that the timetable scheduled for May will include a Sunday timetable from Brighton.

Ms BUTLER - So just one service?

Mr HANSEN - I think there's two but I'm not 100 per cent sure. There are definitely Sunday services coming out of Brighton on 14 May.

Ms BUTLER - That will be a big relief, that's great news. Thank you very much for that. I will ask a question around the common ticketing system, and we've learnt that the price of that's gone from \$7 million to \$65 million. Minister, one of those square readers only costs \$65, so I don't understand why this has blown out to be a million times that.

Mr VINCENT - That project is with DSG at the moment and I haven't seen the details on the -

Ms BUTLER - But they're going on Metro buses.

Mr VINCENT - They're going on Metro, they're going on everything, but it's not at a place where it comes through at this stage. The trial is about to happen with it. We have taken into consideration with Metro, even with the driver screens, that the opening in the screens is large enough to also place the readers.

Ms BUTLER - It's a huge escalation, though. I'm only smiling because I think it's ridiculous to go from \$7 million to \$65 million, especially when the squares cost \$65.

Mr VINCENT - It's a lot more complex than that, sorry.

Mr BRAXTON-SMITH - You've raised the question of square readers. Let me briefly explain why a square reader won't work on a bus.

Ms BUTLER - But this is a million times more - that's my point.

Mr BRAXTON-SMITH - A square reader will not work on a bus.

Ms BUTLER - It's a million times more. A square reader that people use in their shops and so forth costs about \$65. There was an initial budget estimate that this would cost \$7 million and it's now at \$65 million; that is a huge escalation in cost.

Mr JAENSCH - In the DSG portfolio.

Ms BUTLER - If Mr Jaensch thinks that's acceptable, that kind of reflects on how well your government's going on the economics at the moment, doesn't it?

Mr JAENSCH interjecting.

Ms BUTLER - He's interrupting me on my questioning, Chair.

CHAIR - Please go ahead, Ms Butler, unless minister, you have an answer.

PUBLIC

Mr JAENSCH - He said DSG before.

Ms BUTLER - Mr Jaensch obviously didn't like my question so he's trying to provide some covering fire, but I would love an answer, thank you, minister.

Mr VINCENT - Part of that money overall for the common ticketing is for years in advance where they've budgeted for that, so it's not the full amount. I'm not familiar with what the \$7 million was for originally. I have heard of the \$30 million approximately, plus the other part of it which is the extended servicing and supply of the service, but at this point in time it's still with DSG to be finalised.

Ms BUTLER - Okay, but that's quite a big escalation. The people of Brighton are going to be really pleased -

Mr VINCENT - I do agree with the escalation.

Ms BUTLER - that they will be getting the Sunday services, I think that's brilliant. I have one more question just because it's on my round, if that's okay, Chair?

Mr JAENSCH - I only had one at all, and you got a third or fourth one.

CHAIR - Go on, Ms Butler.

Mr JAENSCH - She doesn't even have one ready. I have heaps.

Ms BUTLER - I certainly do, I'm just trying to figure this out. Could you run us through any changes Metro has taken on board after the Tasmanian Association of State Schools Organisation submission? There was information provided to them around how school students are having some difficulties with Metro services. Could you provide some information on feedback that Metro has to that submission?

Mr BRAXTON-SMITH - We will have to take that question on notice.

Ms BUTLER - Okay. I will come back to that in my next round if I get another one.

CHAIR - Earlier this year I attended the launch of the three hydrogen electric buses in Hobart. While I welcome the government's willingness to experiment with green hydrogen, Metro's annual report states that the earlier electric bus trial in Launceston cost \$6 million, whereas the hydrogen bus trial cost \$11.3 million. It is different technology, I understand that, but have the trials told you whether hydrogen power or electric buses are better suited to Metro's operations?

Mr BRAXTON-SMITH - The purpose of the trials is to determine what the long-term -

CHAIR - Yes, I guess it is.

Mr BRAXTON-SMITH - So the jury is still out.

PUBLIC

CHAIR - What's the next stage of procuring any new vehicles? There are electric buses being used in other jurisdictions in Australia. When are we going to get a fleet of electric buses in Tasmania?

Mr BRAXTON-SMITH - That's yet to be determined. We are required to produce a report at the conclusion of the trial which assesses how the trial has gone. At that time we will be providing advice and input to DSG as to what the options are and what the issues, challenges and timelines are likely to be in relation to a conversion to either zero-emission technologies or some mix of them. Yes, they are in rollouts in other jurisdictions. Other jurisdictions are having their own challenges, as are we, and most jurisdictions are looking at sometime between now and 2040 or 2050 to make the transition.

I would anticipate that because of the life of an existing bus, it will take a period of time to transition the entire fleet but in essence, that will be a policy decision for government, and it will require not only buses but supporting infrastructure. In the case of hydrogen, as we've learnt, you need to spend a lot of money on the refuelling facility, which is the reason for the \$11.8 million. In the case of electricity, you also need to invest substantially in providing the additional capacity to support an entire fleet for recharging.

CHAIR - Following on from Professor Razay's earlier question in relation to clean air, getting people on buses is one thing, so mass transit is one thing, moving to clean energy solutions is another. With the current fuel that you use, do you know if it is coming from Russian fuel sources?

Mr BRAXTON-SMITH - I have no knowledge of the original source of the crude oil that's been refined, but -

CHAIR - We could all throw our hands up in concern about that or not knowing, but perhaps you could take it on notice and find out whether it's coming from Russia or a third country?

Mr BRAXTON-SMITH - Our fuel would be coming from someone that supplies diesel. We will advise you as to our supplier of diesel.

Prof RAZAY - To follow on that, we hear that hydrogen and electric buses are expensive and we have fewer Tasmanians using buses. Is there a case from an economic point of view to use minibuses? They are more practical, less expensive, better for our clean air and I think there is a case when you don't have many passengers on your buses.

Mr BRAXTON-SMITH - It's an interesting question. We haven't done the work to determine if there might be a case for a different-sized bus. It will depend on the peak capacity that you need, not the average capacity. Whereas sometimes you might need a smaller capacity bus, you don't want to put yourself in a position where you cannot meet the peak or meet the growth over a period of 25 years, which is the period that you have that asset for. So, it's not an easy question to answer.

Mr VINCENT - In some cases, because they are in more outlying areas, there is talk about using smaller buses to run back into a central location that would feed into the Metro or to the private operator working. It is under consideration, but that's mainly in regional areas or outlying areas of Greater Hobart.

PUBLIC

Ms JOHNSTON - I want to go back to providing buses for the stadium for the major events, just to be really clear. It was a bit unclear with your answer beforehand about what exactly Metro has been consulted on in terms of your capacity to provide additional bus services and drivers for major events without impacting on your existing, normal services. Did you have discussions and input into what the conditions for the stadium might be? Have you had those discussions at all? Also, have you done any modelling about whether you can actually provide the additional drivers required for an additional major event and fleet without impacting on your existing services?

Mr BRAXTON-SMITH - I think the answer to your questions would be yes, at a high level. We have had preliminary conversations - I've had them with the secretary of the department - and no to the rest.

Ms JOHNSTON - That high-level discussion - was it just a conversation? How have you assured yourself you can actually meet the requirements that will be needed to be met for conditions for the stadium to provide those services?

Mr BRAXTON-SMITH - The secretary attended a board meeting and, during the course of the conversation at the board meeting, we had the conversation about the stadium and match day services, and how we might prepare for that and assist in preparing for that. We've not had any further. We've not had any further engagement.

Ms JOHNSTON - This is the DSG secretary, so Craig Limkin?

Mr BRAXTON-SMITH - Craig Limkin.

Ms JOHNSTON - Thank you.

Mr JAENSCH - Could you please tell me what the uptake was like during Seniors Week for the special promotion for free travel with Metro during Seniors Week?

Mr BRAXTON-SMITH - We will have to take that question on notice but, generally, well received.

Mr JAENSCH - Well received? Good.

Ms BUTLER - The Rail, Tram, and Bus Union (RTBU) have very recently released a report into clean bathrooms and rest facility areas, focusing on female bus drivers.

Mr JAENSCH - Train?

Ms BUTLER - Train and bus, yes. It's my understanding that - does Metro provide exclusive rest-stop areas and toilet areas for their drivers along certain routes?

Mr BRAXTON-SMITH - We do. We have end-of-route facilities and facilities in the depots.

Ms BUTLER - How many of them do you have?

Mr BRAXTON-SMITH - I will need to take that question on notice.

PUBLIC

Ms BUTLER - Okay, so I can put that on notice.

Have you had any feedback from - because I've had feedback from Metro staff that a lot of the time, especially when they're out on their routes, there isn't anywhere for them to stop to go to the bathroom. When they get to certain areas they have to use public facilities. That could be an issue, especially when you're trying to recruit more Metro drivers.

Another question: are Metro drivers required to clean their buses at the end of a shift?

Mr BRAXTON-SMITH - To answer the first question, in relation to Metro employees - I saw the article, as you saw the article, and it did result in me seeking further information from my team today. I have asked them to do further work. To answer your question, of course we would support having the appropriate facilities for our employees in the right places for them. We have a consultative committee which deals with all health and safety matters, and we have a wellbeing program. We've not yet heard anything in particular about any issues. I inquired this morning. None have been raised in the consultative committee, but I have asked our team if they will go back to the consultative committee and put it on the table. I'm interested, so any information you have that you'd care to share, please do.

Ms BUTLER - I've had a number of drivers -

Mr BRAXTON-SMITH - Alternatively, if you could encourage people who've talked to you to talk to their delegate, who's their health and safety representative, they will probably get further, in terms of getting their issues addressed -

Ms BUTLER - Thank you, but can I put it on -

Mr BRAXTON-SMITH - than they will putting it to you to ask me in scrutiny.

Ms BUTLER - Chair, stop talking over top of me, please. I'm sorry. Please.

Mr BRAXTON-SMITH - I was just finishing the answer.

CHAIR - Go ahead, Ms Butler.

Ms BUTLER - Yes, but if I've had that information provided to me over a number of years, about there not being rest areas and toilet areas for Metro bus drivers. Could I put that on notice, please?

Mr BRAXTON-SMITH - As in - what are you putting on notice?

Ms BUTLER - Well, the question I'd put on notice would be how many toilet areas there are that are dedicated for Metro drivers, in Metro areas that they service? Also, if information could be provided on when this has been raised with Metro before, because I believe it's been raised on a number of occasions.

Mr BRAXTON-SMITH - Okay, I will take the question on notice. Chair, there was another question there. Do you want me to answer it?

CHAIR - Yes.

PUBLIC

Mr BRAXTON-SMITH - Briefly, in terms of cleaning, we have a cleaning contractor and the cleaning contractor performs regular cleaning services, including top-up of soap and sanitiser.

Ms BUTLER - Okay. So, when a bus is -

CHAIR - Ms Butler -

Ms BUTLER - It's on the same area.

CHAIR - Yes, final question, Ms Butler.

Ms BUTLER - At the end of a shift, when the bus driver finishes their shift, are they required to clean that bus when they end their shift? No, they're not? Okay, thank you.

CHAIR - Through you, minister, to the Chair or to the acting CEO - it'd be nice to hear from you. The patronage of 7.04 million first boarding shows a modest market response to half-price fares, possibly. We probably don't know what that is in 2024-25 with patronage up by 2.5 per cent, but the increase should have been much larger, around 15 per cent of passengers - 850,000 passengers are missing, if you base this on worldwide patronage responses in lower fares. I'm curious to know - you do have strange expressions sometimes when I'm asking a question.

Mr BRAXTON-SMITH - I don't have a good poker face. I was wondering what research you're referring to, because I've read research about the response to half-price or zero fares, and it differs by jurisdiction. I'm not aware of a piece of research that says there's a global average response.

CHAIR - No, I'm not suggesting that, actually. I'm saying that possibly it might be relating to half-price fares. Regardless, post-COVID you'd expect that there would have been an increase, and I think you even referred to that yourself, Mr Braxton-Smith. What do you put it down to, as to the reasons why bus patronage isn't picking up?

By the way, I did have somebody contact me since we've been in this hearing to say they, too, have had problems with the real-time tracking. I'd ask you also to table the information that you're getting from patrons and your advice around real-time tracking, please, if you wouldn't mind?

Mr BRAXTON-SMITH - Okay, we will take on notice the question to provide information that we receive in terms of complaints in relation to the real-time app, and for balance, we will provide you any compliments that we've received, if that's okay. Sorry, what was your other question?

CHAIR - The question was around patronage and what are your reasons as to why patronage has not improved post-COVID?

Mr BRAXTON-SMITH - That's a difficult one to answer. There's been a change in societal travel habits, is the short answer. It varies by jurisdiction, but it's common worldwide.

PUBLIC

CHAIR - It would be interesting to hear what your incoming CEO has to say about \$0.50 fares because they're hugely popular in Queensland, by the sounds of it, so it'd be interesting to hear about those.

Prof RAZAY - One way to attract more people to use buses is to make it easy to pay. There have been changes to make it easy, you can use your phone or card. What's Metro planning in the future?

Mr BRAXTON-SMITH - Making it easy to pay is one of the purposes of the new common ticketing system, which is to be delivered by the Department of State Growth. The experience in other jurisdictions would be that it reduces what's known as friction in the system and particularly encourages occasional use, because you can use a credit card or debit card.

Ms JOHNSTON - Chair, I've had a number of constituents raise concerns about the location of bus stops, in terms of antisocial behaviour, the appropriateness, the width, the path, safety reasons, the frequency of people standing there - a whole range of issues. Who's responsible for the maintenance of bus stops and the locations? How do residents who are concerned about this, or public transport users who are concerned about the location, advocate for changes in location to a bus stop?

Mr BRAXTON-SMITH - In general, it's either the state government or a local government that is responsible for the infrastructure and the kerbside. It depends upon the classification of the road. If there are concerns in relation to the location or condition of a stop, that would be the first port of call for a constituent.

Ms JOHNSTON - For the location, not just for the - I get passed from the government department back to Metro, Metro back to the department. So, you're telling me that it's the government that is responsible for it; the government will tell me that Metro determines where their bus stops go.

Mr VINCENT - My understanding is it's DSG, but I will clarify that and come back to you.

Ms JOHNSTON - Thank you.

Mr JAENSCH - Minister, could you please update the committee on Metro's accessibility and inclusion plan and actions currently underway or progressed so far?

Mr BRAXTON-SMITH - Yes, we do have an accessibility and inclusion action plan, the purpose of which is to strengthen access, safety and inclusion for all passengers. In broad terms, our buses are all 100 per cent accessible buses, our digital assets comply with what are known as WCAG Guidelines 2.0, so Web Content Accessibility Guidelines.

In terms of the progress, one of the particular focuses of action for us is on mobility devices and mobility aid procedures, because mobility devices in general are getting larger and heavier. We're enhancing the accessibility and providing staff with training.

Mr JAENSCH - That's wheelchairs and mobility scooters, is that what you're -

Mr BRAXTON-SMITH - Wheelchairs and particularly mobility scooters.

PUBLIC

Ms BUTLER - In 2018, it was reported Tasmania has the oldest fleet in Australia. Metro announced 100 new replacement buses and that is aside from the introduction of the three hydrogen buses of \$11 million, and I will go back to that. What is the average age of a Metro bus in Tasmania? How does this compare to other states' metro systems, and do we still have the oldest fleet in Australia?

Mr BRAXTON-SMITH - Our current fleet age is 10.4 years, which is what you would expect for the fleet age average. The fleet age is, I think - in my knowledge, but we will get data as data is available - but, to my knowledge, that would be now comparable with other jurisdictions or better than some.

Ms BUTLER - Can I put it on notice?

Mr BRAXTON-SMITH - I will see what I can obtain, particularly from other jurisdictions that are on the public record.

Mr JAENSCH - Would there be a difference between Metro's though, and our overall bus fleet, which includes things like school buses and the rest?

Mr BRAXTON-SMITH - It could be, but I can only answer for Metro's bus fleet. Metro's contract provides for us to have a fleet of - any bus must be 21 years or less in service. If we extend the life of some buses as we have, they can be extended by annual approval by DSG up to the age of 25, which is pretty consistent with industry standards elsewhere. In general, our fleet is not as intensively [inaudible] as some other jurisdictions.

Ms BUTLER - Is Metro looking to - sorry, I should get that confirmed if I can put that on notice for you? That's lovely, thank you.

If Metro is looking at introducing digital screens in the buses, like most of the other states have - which is really helpful for people who have disabilities, people who may be hearing impaired and so forth - is that an investment on accessibility transport that Metro is considering at the moment?

CHAIR - The time for scrutiny, unfortunately, has now expired.

I'd like to thank everybody for their attendance; thank you, minister; thank you, acting CEO, Chair and everybody there; and thank you, committee.

We can stop the broadcast. We will go directly into Tasracing, in a moment.

The witnesses withdrew.

The committee suspended from 5.00 p.m. to 5.03 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Motor Accidents Insurance Board

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Prof George Razay
Mr Roger Jaensch
Mr Dean Winter

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MP, Minister for Infrastructure and Transport

MAIB

Paul Kingston
CEO

Lance Balcombe
Chair

(In support)

Derek Thurm
Chief Financial Officer

Courtney Hayles
Executive Manager

Chris Swenson
Chief Operating Officer

PUBLIC

Motor Accident Insurance Board

CHAIR - The time being 2.00 p.m., scrutiny of the Motor Accidents Insurance Board will now begin. We have one hour for this scrutiny. Members will be familiar with the practice of seeking additional information which must be agreed to be taken by the minister or the chair of the board and the questions handed in writing to the secretary, in this instance Michael.

Minister Vincent, would you like to introduce the people at the table, their names and positions and to make a brief statement to the committee.

Mr VINCENT - Thank you, Chair. On my right-hand side, I have my chief of staff, Tim Lovibond; left-hand side, Lance Balcombe, chair of the MAIB Board, and his CEO, Paul Kingston next to him.

It's been a pleasure to get a deeper understanding of the business and the vital service it provides to Tasmanians. MAIB provides insurance cover for those who are injured in a motor accident. Funding for this compensation is provided by Tasmanian motorists through the payment of registration premiums. The organisation pays for a range of treatment and support services for people who have been injured, regardless of fault.

MAIB has a strong long-term financial position, which means that on top of providing its vital service to the Tasmanian community, it has also been able to consistently provide strong dividends back to government. The consistent high performance of MAIB has resulted in direct benefits to Tasmanian motorists, with the premium for a motor car reducing in real terms by more than 40 per cent over the past 15 years for a standard car. This means the annual MAIB premium is less now than it was in 2002 when accounting for inflation. With this in mind, it's no surprise Tasmanian premiums are the lowest in Australia, and this is despite MAIB providing generous no-fault benefits to those injured in accidents.

In addition to its core business, MAIB also works with the Road Safety Advisory Council and the Tasmanian Police to implement advertising and public education messages, road infrastructure improvements and enforcement activities. Last year, the MAIB provided funding of \$4.8 million to the Road Safety Advisory Council. These ongoing road safety improvements mean the number of claims per Tasmanian vehicle have consistently decreased in recent years. The MAIB continues to provide significant contributions to a wide range of community organisations across the state, with \$5.6 million provided to improve road safety, injury management and contribute to broader community support.

A major component of MAIB's funding goes towards the Injury Prevention and Management Foundation. The foundation funds research, education and service programs aimed at preventing and reducing the severity of motor accidents, as well as improving the management of injuries from motor accidents. In 2024-25 \$780,000 in funding was provided through the foundation.

MAIB ends 2024-25 with an excellent financial outcome of before-tax profit of \$115.9 million and high client satisfaction results. With a dedicated and capable workforce and a high performing management team, MAIB is well positioned to continue to deliver for both the Tasmanian government and the community into the future.

PUBLIC

Mr WINTER - Do you want to start with a question around the performance of the business? This is to you, Mr Balcombe, your underwriting results, premiums less claims, significantly deteriorated in the 2024 financial year and then got worse in the 2025 financial year, recording a loss of almost \$41 million. Your forecast is this will get worse, out to \$49 million by financial year 2029, according to the Auditor-General's report. What's the board position on the sustainability of continuing to operate losses in terms of your underwriting result?

Mr BALCOMBE - I can make a couple of questions. There's a number of drivers that sit behind the underwriting result. At face value, we collect \$160 million in premiums and our claims paid out last year \$121 million, so in cash terms we're \$40 million ahead and that \$40 million goes into the operating cost to manage the rest of the business. The second element is that what falls into that claims expense is a lot of the actuarial calculations that go into calculating the long-term liabilities that we have on the books. Paul will probably give you a bit more detail on the stratification of our claims, but we have short-term claims, common law claims, and we have our whole-of-life claims for people who have permanent injury disability as a result of a motor vehicle accident. There's been a number of things that have impacted that over the last few years in particular.

We've seen higher inflation rates because some of these injuries have 20 or 30 or 40 years attached to them. So, with the course of inflation, you will see the cost of those claims rise over time. We have seen higher attendant care rates, that's risen about 18 per cent over the last couple of years and that's been driven principally by NDIS providers. We've had to compete against NDIS providers to make sure that we can get service providers of our own.

I suppose the other point is that, yes, we are making underwriting losses, but we look at the business as a whole. The business as a whole also includes the investment portfolio and we look at it as a sustainable package. Certainly, our balance sheet is much stronger than it was 10 years ago. We are now at \$717 million in net assets. In 2010, we were at \$271 million, so we've seen a \$500 million increase in the financial strength of the business. Our funding ratio, which is effectively our assets compared to our liabilities, has increased to 134.6 million as at 30 June.

So, the business is in a sound position, certainly the underwriting loss is apparent, it's been driven by other circumstances. There's volatility in that number too because it's also driven by economic assumptions. The bond rate affects the discount rate, so as interest rates fluctuate that will come in or out. Lowering of interest rates will actually make that liability number higher as will inflation, but we are pretty comfortable with it.

Now also, to flag, for the last five years of our corporate plan, we have forecast underwriting losses. We are inherently conservative with our forecasts, and alongside that, we have only forecast a 4.5 per cent performance on our investment portfolio. Last year, we achieved about 8.5 per cent, but we also note that, as a business, the business is exposed to that inherent volatility in investment portfolio.

We target a long-term return of the AWOTE, which is the Tasmanian average wage index plus 2.5 per cent and in general, over 15 years, we've been performing in line with that, but there will be perturbations around that. We have certainly outlined that potential for volatility in our corporate plan and with the shareholder, so we are quite content with the financial performance of the business.

PUBLIC

Perhaps pardon me, one final comment, we have just been through a four-year reset with our with the regulator. One of the things that the regulator determines is our profit margin. In the previous determination, he said that - pardon me, I was thinking I was in the wrong organisation there for a minute - he said that the MAIB should operate within a target range of 7.5 per cent to 12.5 per cent profit margin. In our most recent application, we requested a 10.5 per cent profit margin. The regulator chose to award - make his decision based on a 7.5 per cent profit margin, so -

Mr WINTER - Does that include the investment returns as well though?

Mr BALCOMBE - No, but it's taken into account in the overall assessment of it. So, he looks at the business as a package, and he looks at our underlying assumptions about the investment returns. He's looked at the entire package and he said, based on what's in front of him, with the investment portfolio and what you're getting in premiums, the appropriate profit margin on premiums is 7.5 per cent.

Mr WINTER - The Auditor-General's report says

The Motor Accident Insurance Board (MAIB) has experienced a deterioration of its underwriting over the past 5 years. Based on the current forecast of MAIB, the deterioration in underwriting result will not improve in the foreseeable future. Throughout the forecast period (the next 4 years) MAIB will continue to incur losses from its underwriting business and will be reliant on positive investment returns to generate profitable operations. The increased reliance on investment returns and the volatility within those markets increases the overall risk of operations for MAIB.

Do you agree with that assessment from the Auditor-General - that by operating with losses through the underwriting result and relying on investment returns, that increases the overall risk of operations to MAIB?

Mr BALCOMBE - I will make two statements: the Auditor-General is entitled to his views from that perspective -

Mr WINTER - Not the first person to say that in the past in the last few weeks.

Mr BALCOMBE - Yes, but he is - that's his job. What I would say is those projections are based at a point in time. I will give you an example. We've seen interest rates coming down and, all of a sudden, we've seen inflation kick up or flatten out, or the reduction inflation kicking up and the forward interest rates look to be going up. That will make that liability number lower, and it may reduce those underwriting results.

We have to take these projections as a grain of salt, because they are a forecast and they are based on a whole set of assumptions. What I'm saying is, that those numbers could change - the underwriting result could change based on what happens with a lot of those assumptions and frankly, with the costs of providers and things like that.

Mr WINTER - Of course forecasts can change. It's just that the level of underwriting result losses is pretty substantial over the next few years under the forecast listed in the Auditor-General's report - \$41 million this year, \$35 million, \$38 million, 43 up to nearly 49

PUBLIC

by the financial year 2029. So, you're saying that the board is comfortable with those forecasts and comfortable that MAIB should continue to operate with a loss in the underwriting results?

Mr BALCOMBE - They're a forecast. Would it be great if they were profitable? Yes, it would be a better outcome. The fact is they're not. We've just been through revenue determination with the regulator and, as I say, there's a whole set of other assumptions that can change that. If you look in the annual report, there's some factors that will stress test those assumptions either way, which would have a direct detriment or improvement on that underwriting result.

Mr WINTER - You're talking about -

Mr BALCOMBE - I will also say - sorry, Mr Winter - from a cash perspective, we are cash positive. The biggest issue about the solvency of the business is making sure you have cash available to do that. So we're quite content with the overall financial position of the business.

CHAIR - We will move on to my questions. During the election, the Liberal government announced their suggestion of TasInsure as a state-owned insurance company, and key economists, including Saul Eslake and other stakeholders such as RACT, raised concerns about TasInsure and its impacts on the Tasmanian economy, as well as the TasInsure's ability to deliver what is intended. Can you explain what the role of MAIB would be in that scenario, should we have TasInsure, and whether you see that as a good thing for Tasmanians?

Mr BALCOMBE - We don't have an opinion, because we don't know if at all, or what role MAIB will have. We've seen the Premier's announcement a couple of weeks ago about a process, and our assumption is that we will be engaging that process. Until we have an understanding of our role, MAIB is the compulsory third party insurer, and our terms of reference are determined by an act of parliament. Should the government choose to change the role of MAIB through some other arrangement, we will work with the government to understand what that might mean for the MAIB.

CHAIR - Does it raise any sort of concerns for you with that possibility?

Mr BALCOMBE - It's too hard to opine on - we are sort of talking hypotheticals.

CHAIR - We have a lot of hypotheticals and balls up in the air presently.

Mr BALCOMBE - The government's undertaking a review and we are going to be engaged in that review. Until we get some clarity about whether or not MAIB is going to have a role at all, we're not in a position to make a comment on it. It's a government policy position; it's not the role of myself or management to comment on a government policy position.

CHAIR - I understand that, so I will refer it to you, minister. Given the importance of MAIB as a third-party insurance protection, who are very a buoyant organisation which does well - what's your feeling, and how are you going to protect it from any strange ideas, such as TasInsure?

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Mr VINCENT - Chair, we've only had brief conversations - nothing substantial, because there's nothing before us at this stage. As the shareholder minister of MAIB, we haven't had any proper discussions on them.

Prof RAZAY - Thank you, honourable minister, to the chairman. I'm trying to get more of a feeling of your clients - like how many you have on your books, especially those who are on long-term care. I gather they are there for life. Previously, you said 70 per cent to 80 per cent and they usually resolve within one to two years, at the cost of less than \$20,000. Is it still the same figures?

Mr KINGSTON - We receive just under 2000 new claims every year - the last four years has been just under 2000. It was up over 3500 probably 10 years ago, so we've had a big drop off in the new claims coming in. We have at any one time about 2400 claims open, so some claims may take two to five years to close, some close quickly, but we have about 2400 open at anyone time. Around 70 per cent to 80 per cent of those do resolve for \$20,000 or less; and it can be a matter of months or within a year or two that they're back to their pre-injury state and hopefully don't have to deal with us again, and if not as well as they were before, hopefully better. That's the vast majority of our numbers.

But we do have our lifetime care scheme that came into the legislation in 1991. We have 106 people in that scheme now, after 30 odd years. The tests to go into there is if somebody needs at least two hours of daily care for an indefinite period, i.e., for the rest of their life. If they do, they then enter the scheme and they stay with us for the rest of the time that they're there. We pay all reasonable, necessary medical costs and support that they need for the rest of their lives. They are the claims that, as the chairman said earlier, can run for 30, 40, 50 years and some of them can cost up to \$1.5 million a year. That's why the liabilities are so big - at about \$1.3 billion - and why we have just under \$2.3 billion to \$2.4 billion in savings, to make sure the funding is there not just now, but into the future.

Mr WINTER - I wanted to go to TasInsure as well, to you, Mr Balcombe. You said you don't have an opinion on the policy, and you don't know what role MAIB will have. The government has issued a consultation piece which actually mentions MAIB within it, as being a part of and using the MAIB balance sheet to assist in the establishment of TasInsure. Has the board or MAIB been engaged in any way by the government as part of this process, to come up with this document or the bill?

Mr BALCOMBE - No, to both.

Mr WINTER - The establishment of the TasInsure policy is that it will leverage the balance sheet of MAIB, and there's a bill which is being drafted and released for public consultation. No one at MAIB, to your knowledge, has seen or was consulted about that bill before it was released?

Mr BALCOMBE - No, we were not.

Mr WINTER - In terms of the consultation paper, was anyone at MAIB provided with a copy of that consultation draft before it was released publicly?

Mr BALCOMBE - The CEO was provided with a copy on the day it was released.

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Mr WINTER - Okay. Has the CEO, or yourself through the board provided any feedback to government around the soundness of the policy intent and, if not, does the board plan to provide some feedback?

Mr BALCOMBE - We haven't been asked to provide any advice. When the government asks us to provide for participating in that process - and we don't know what that means yet, whether we're going to be talking to the government or some consultant about it - we will engage in the process.

Mr WINTER - In your view, how much flexibility is there in MAIB's balance sheet to support the establishment of a new state-owned insurer?

Mr BALCOMBE - I'm not in a position to comment on that, because I don't know what 'support a new insurer' means. Until that's outlined, I'm not going to hypothesise, if that's the right word.

Mr WINTER - I will find the words within the piece. According to the document the government has released, the product scope is targeted to include home and contents insurance; small business insurance; community groups and event insurance; regional insurance; even workers compensation insurance. Presumably requiring a pretty substantial amount of capital to back a project like that, what level of support do you think MAIB's balance sheet is able to sustain and support through that establishment?

Mr BALCOMBE - We don't know what our role is. Until we know what our role might be, we're not in a position to comment on it.

Mr WINTER - You've not been asked to provide that?

Mr BALCOMBE - I will point out though, doesn't it say 'may' 'could', 'may not', so -

Mr WINTER - 'The expected scope of TasInsure includes ...' -

Mr BALCOMBE - No, but you said about MAIB's role. That's uncertain in that document. That's uncertain. Until we have some clear guidelines about what we are going to comment on, we're not in a position to comment on it.

Mr WINTER - The financial management of risk list says:

TasInsure will require sufficient capital support, with the MAIB model intended to be leveraged for this purpose.

The government is intending to 'leverage' your balance sheet.

Mr BALCOMBE - It also goes on and says it may not be involved further in.

Mr WINTER - The policy intent that was announced seems pretty -

Mr BALCOMBE - I don't know what 'leverage' means. Until we know what the model is, we're talking in hypotheticals.

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Mr WINTER - You're aware the government plans to establish and start TasInsure next year, so it's 2026? How much time do you think MAIB would require to support the establishment of a new state-owned insurer by this time next year?

Mr BALCOMBE - I don't know if we will be supporting the establishment of a new state-owned insurer, so I don't know what times are involved. We have very tight guardrails about what we do; we're focused on that. If the government asks us to come and do some work with them on TasInsure, we will do it at the time, but we're not in a position to hypothesise about what something might be, because we don't know what it is.

CHAIR - Minister, this is something that I've asked you in other scrutiny sessions, but in relation to governance changes, could you describe how that might have affected your interactions with MAIB and the Board?

Mr VINCENT - Yes, Chair. Certainly at this point, there's nothing that's changed or interfered with my liaison with either the CEO or the Chair. We are working through the business as we normally do. If anything changes, we will assess those things when and if they do.

CHAIR - Really, it's about the governance of the organisations. Perhaps if I put it through to the CEO and Chair: has there been a tightening of governance arrangements with that review?

Mr BALCOMBE - How I'd comment on that is certainly there's been more prescription put into the government governance processes. Probably what I would say is that 99 per cent of it MAIB was already doing: director's terms for three years, conscious that the previous chairman, Don Challen, was on the board for 12. From a point of view of our board-review processes, every three years we go on a cycle, so we do two internal reviews and one external. The framework for those reviews that we've been using is very similar to the framework that's been published under the government's governance guidelines.

Issues such as gender balance: we're a board of five, so we're always going to have two or three, either way. We have a very solid board skills metrics, that we make sure we have a good cross section of skills, which is challenging when you have a small board. I suppose the other element of that is making sure that we have an eye to succession planning, and continue to build depth in the business from a point of view of Paul and his team sitting behind me here.

CHAIR - If you transfer that to the workforce and diversity and all that, how's that represented?

Mr KINGSTON - Like quite a few insurers, we're a female-dominated workforce. We have about a 75 per cent or so female workforce. Our senior leadership team is five females, three males. Our executive team is three and one; it's been two and two in the past. As the chair said, our board is well balanced. I think on a gender perspective, we have quite a good starting base.

We also have a diversity in terms of age and experience across the workforce as well. We have a lot of staff who have been there a long time. We've had one retire this year with 40 years; we have others well into 30 years; and then we have a whole range of new staff

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coming in with different experiences. We look for diversity in terms of life experience and other work experience across a strong cultural knowledge that we hold.

CHAIR - And cultural diversity - looking at broadening that as well?

Mr KINGSTON - We always keep an eye on that. We recruit based on skills and cultural fit - and fit as in team fit first - then male, female, age doesn't matter; we let that take care of itself. We're not targeting anything. We do have reasonable diversity across our workforce. It's only a workforce of 50 actual people, it's not exactly large. A couple of numbers either way can make a bit of difference in terms of our range of different demographic and cultural backgrounds.

Mr VINCENT - I might add to that - the chair and I have had discussions about the makeup of the board in relation to upcoming major redevelopment work, I suppose you'd call it, on their care facilities, and that is an enormous project that we have had brief discussions on whether the skills matrix is right for that or not, and that's just normal part of discussions between us.

Prof RAZAY - Honourable minister, through you to the chairman and CEO: what proportion of the claims are from young ones, especially 18 to 24, because that influences your prevention campaign you are still running, the Real Mates campaign; how successful has it been?

Mr KINGSTON - I will go back to more road crashes in Tasmania through the Road Safety Advisory Council hat that I wear, rather than MAIB necessarily. Young people 18 to 24 are disproportionately represented in crash stats: they always have been and they continue to be so. However, over the last 10 years, or probably last 12 years, we've run Real Mates, and we've funded and set up Real Mates through the RSAC road safety team. We had over a 10-year period, so in the last road safety strategy which ended in 2017, we'd funded Real Mates through most of that. The number of serious crashes and fatalities for 18- to 24-year-olds dropped just shy of 50 per cent. They're still disproportionately represented, because they take more risks; they have less experience on the road; they tend to be higher in under-the-influence driving, whether that be drugs or alcohol - but we still are running Real Mates, and that still has a good resonance.

It's moved now more to social media, than mass TV - it's not targeting people like me. It's targeting much younger people who use different media. We've actually tried to follow where they're at, rather than just trying to make it obvious to everybody.

We do a review of all our road safety education campaigns through RSAC, and MAIB funds that. Each time we check recall but also change of behaviour, which is the thing we're chasing. Getting recall is pretty easy: Real Mates has a really good message and people remember it, but making them change their behaviour on the roads is the harder a bit. It's been okay. It hasn't been increasing, but it's been pretty steady in terms of a change in behaviour.

Prof RAZAY - That group is interesting, because they have the highest rate of mental health problems. That's probably another contributing factor as well, because that's increased compared to 30 years ago.

Mr KINGSTON - Absolutely.

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Mr JAENSCH - Through you, minister, this is one that I'm sure you've heard before, it's a common question amongst our constituents. How does the MAIB premium-setting process work? Why does it result in premiums for motorcycles around double the value of those for motor cars?

Mr BALCOMBE - Predominantly why motorcycles are higher, is they are much more likely to have a serious road accident. I might park it there, because Paul is right across the technical elements of that, so I will ask him to respond.

Mr KINGSTON - Our premium setting is ultimately determined by the economic regulator, who reviews our prices every four years and then allows us an increase based on average weekly earnings in between.

One of the things that a regulator does, other than just setting the general increase, is he looks at the relativity between classes. For standard motor vehicles, mum-and-dad motor vehicles, about 80 per cent of the fee in class 1 and 2, that is set as a premium; then classes that are experiencing higher claims costs basically have a relatively weighting, so they pay more to remove that cross-subsidy they'd be getting because they're actually costing more to the scheme, and those that perform better get a reduction below that normal premium of \$305.

Motorcycles are nearly double that, across most classes. Small motorcycles are exempt to that, they're not quite as high. In the example, motorcycles cost us up to three, to three-and-a-half times what another class or the standard class 1 and 2 would cost. That means for the same number of registered vehicles, it's three-and-a-half times more expensive for motorcyclists. It's because they have more accidents and, of course, when they have accidents, there's less protection, so they tend to have more serious injuries and fatalities.

That relativity is over 3; at the moment they only charge 1.9, it's just changed to 2.3 in the most recent regulator review - so, we're creeping away at that cross-subsidy. Still, right now, normal motorists are cross-subsidising motorcyclists because they just cost more. We would love for motorcycle accidents to be less, which means we pay less cost, which means they pay low premiums, but we only pay what the actual claim costs are.

Mr JAENSCH - Given that this must be a global phenomenon, it would be strange if we were the only ones seeing this signal. Is there any research into whether this is influenced by the demographic - who's riding and what their level of experience, their risk profile; is it young men who may be proportionally more likely to be motorcyclists and to be taking risks, perhaps?

Mr KINGSTON - It's a little bit spread. It's young people again, 18- to 24-year-olds, and particularly males take more risk generally, so they are highly represented, as they are across all classes. The other demographic that is reasonably high is 40 to 50, who tend to have obtained their motorcycle licence when they were young, and it's still on their driver's licence. They come back 20 or 30 years after not riding and they can now purchase a large, powerful motorcycle - when you're younger you can only purchase less powerful motorcycles - and if they haven't ridden for a long time, they can then have more accidents.

We actually fund a training course and cut the cost down to about \$50 for returning riders, so they can get a full training day with a professional instructor to get them back used to how to use a motorcycle again, and particularly a more powerful one, to try to make sure that that demographic doesn't keep pushing up.

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Mr JAENSCH - Can they get a discount on their premium: reduce the risk?

Mr WINTER - My question is to the minister, again around TasInsure: minister, did you see a copy of the draft bill or consultation paper before they were publicly released?

Mr VINCENT - No, I didn't.

Mr WINTER - Do you think it's unusual that you, as the responsible minister, wouldn't be included in the policy discussion about development of a new insurance company which will utilise the balance sheet of the multibillion-dollar company you're overseeing?

Mr VINCENT - No, I didn't. I have more than enough to do with my ministries, and I would much prefer the work to be done a bit more comprehensively before I have to put my head in that space with MAIB.

Mr WINTER - I agree there should be some comprehensive work done on this. Can you tell the committee whether the proposal is still to utilise the existing MAIB balance sheet, to leverage that and deliver TasInsure through the utilisation of its existing commercial and operating infrastructure?

Mr VINCENT - I'm unable to expand on that at all, because I haven't been through it.

Mr WINTER - This is the flagship policy of the government; it's going to use the MAIB balance sheet, we hear and understand from the consultation draft. You're the minister responsible and you're telling the committee that you don't know whether it's planning to use the balance sheet from MAIB, or not?

Mr VINCENT - Only the same words as you've seen and spoken about. My opinion is no different to the chair of MAIB - we're concentrating on what we do to maximise the benefits of MAIB, and should that change, we will deal with it when it comes across our desk.

Mr WINTER - What do you consider to be the major risks for MAIB by utilising its balance sheet to create a new insurance company and provide a range of insurances, for example, workers' compensation?

Mr VINCENT - I think I've already answered that by saying I haven't given it consideration because nothing's before me at this stage.

Mr WINTER - Would you concede that there's some pretty significant risks here for MAIB and for its customer base, in terms of hollowing out its balance sheet, adding increased liabilities and risks to an organisation that's already stretched in terms of its position this financial year?

Mr VINCENT - As I haven't seen any of the numbers or the planning for it, I don't have anything to concede on that.

CHAIR - We will move on, Mr Winter. I also want to talk about road safety and particularly motorcyclists. We know that overall, in the nine months from January to September this year, compared to last year we have fatalities up from 24 to 35, which is up 45.8 per cent,

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which is a shocking situation. In 2025, there have been seven motorcyclists who have lost their lives in that time, compared with two in 2024.

I suppose one of the things that is raised with us is the concern about motorcyclists, and their registration and the registration costs that they have. In 2024, a 750cc motorcycle cost \$653 to register, and a small car costs \$492, so that's a concern. Can you talk around the risks of motorcyclists and what you're seeing as well?

Mr BALCOMBE - Thanks, Ms Burnet. If you ride a motorcycle in Tasmania, you're three times more likely to have an accident on a motorcycle than you are in a passenger vehicle. For 2023-24, there were 13.6 claims from motorcycles per 1000 registered vehicles, compared to 3.2 for other motor vehicles. There are two issues at hand here: the frequency of motorcycle accidents is higher, there's more people per 1000 registered vehicles having accidents; and in general - and I will be careful in the way I say this - the severity of motorcycle accidents is higher. By way of example: 70 per cent of motorcycle accidents are single-vehicle accidents, and a lot of those are in regional areas. You would presume - and Paul probably has further data on this - that either speed, inattention or not being capable of handling the motorcycle on Tasmania's winding roads, so -

CHAIR - Or the road itself, the road surface?

Mr BALCOMBE - Well, it may well be; but you have to adjust to your conditions, haven't you, when you're driving a car and it's raining, or you're riding a motorcycle on a slippery road? You have to adjust the conditions if it's winding or whatever. We're not charging three times the average single-vehicle premium for motorcycles, so there's a degree of cross-subsidisation from all the other vehicles that goes towards keeping the costs of motorcycles down. It could be and arguably should be higher. The regulator is working on those relativities. He adjusted the relativities in his last determination, but the facts are there are more serious accidents at a high frequency on motorcycles than there are in passenger vehicles, so there has to be a relativity adjustment between those.

CHAIR - Are there other jurisdictions where we have fewer road motorbike accidents that we can learn from? Obviously, you don't want to disadvantage people who are struggling - students, younger people - and sometimes it's the best mobility for people to get around. How do we ensure that they're safe riders and accessing that safety information as well? I know full well it's very difficult for people to get motorbike training as well.

Mr KINGSTON - Look, more through the Road Safety Advisory Council - we've worked with the Tasmanian Motorcycle Council and other motorcycling bodies to prepare and distribute educational videos. One is for tourists coming in on the *Spirits*, because we've had a lot of tourists not understanding our road conditions and being involved in accidents. We've put a video on there that hopefully helps them understand what it could be, and the motorcycle groups actually share that around to help incoming drivers.

For younger drivers over the last few years, again, we've worked closely with the Tasmanian Motorcycle Council through RSAC and the MAIB to change and improve the graduated licencing system for motorcyclists. We've actually increased the number of supervised hours, provided different ways that they can get to and from training, as well as working with the training providers to try to make sure that the ability for people to get there

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and get trained increases, because there are people who find it difficult to get the hours and the supervision.

Also, we supported projects like the riding gear project and the riding licencing projects through Bucaan House in Chigwell, which was very successful at getting young people who were disadvantaged into training. Many of them graduated with motorcycle licences and then got jobs. There are quite a few programs being run through RSAC to try to get to groups that could be disadvantaged in terms of training hours.

We've actually improved the training process - it's a lot safer - and that was copied from other states. We went to other states and said, 'What could work better?' I think it was New South Wales. Anyway, the state they took was more aligned to what we do, so we took that. There have been step improvements to improve training and to try to improve access.

CHAIR - I suppose the ongoing concern that we hear of is cuts to those Neighbourhood House programs - from Bucaan House and others. We will keep that in the back of your mind, at least.

Prof RAZAY - MAIB staff work in this difficult environment, and I expect you do surveys of your staff especially about detecting any mental health problems. I think that's so important. At the same time, I wonder whether you could survey your clients on how satisfied they are about your product?

Mr KINGSTON - I will start with our clients. We're all focused very much on getting our clients better. We do an annual survey of all the claims that have closed, and we've been doing that for 20-odd years. The satisfaction result score has been between 80 per cent and 89 per cent in all of those years. We've just finished the 2025 one; it came in the last week or two, and that was 86.2 per cent, which is a very high rating for an insurer of any colour, but particularly for us that was a very good result.

Part of that is comments. We get people to survey them and talk to them, so as much as the score, which we want to see and we want to keep high, we get feedback about different parts of the process they'd like to see more. Some of them have said that for those people who have more complexity in their claims - it's not just a simple ambulance trip, treated at the hospital, bit of physio and back you go to work - for whatever reason, they hit some hurdles in their recovery; it could be secondary mental harm or other things that hurt them being able to get back as quickly as possible.

Part of that is we split our claims team from two - future care and all others - into three different streams. We took a middle stream called 'supported care', where we put extra resources in to do more proactive management, to try to stop those people who get off track in their recovery, continuing to spin and get worse, and to try to get proactive care to them so that they get better quicker. Financially, that's cheaper - that's not our main motivation, but it does get them back to a higher quality of life quicker. We've done things like that, from the feedback from those surveys.

Yes, we survey staff as well. We have an annual process of doing that. That's running at six-and-a-half to seven-and-a-half, which is pretty standard and good. You're right - our claim staff and our administration staff are on the phone with people when they're in the worst place of their lives in some cases, so they have to deal with a lot of secondary trauma and vicarious

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trauma. We've just finished putting all our staff through fairly significant vicarious trauma training so that they can prepare themselves best, so they can look after each other, so we can look after our clients as best as possible.

Prof RAZAY - Honourable minister, do you want to respond?

Mr VINCENT - Yes. I can say that I was made aware of a lot of the training they do, and I've visited staff in the Launceston office. I should add that it is an amazing level of professionalism towards the care factor in the staff job. They're really proud of what they do for people in a very awkward situation and the families at the different stages of that.

It was very apparent to me the pride they take in their jobs, but it was also evident how supportive they are of one another around a very open plan office - in moving around and talking to one another. It was a very high level of interaction in the office, which I thought was really good when they're dealing with such awkward moments.

Prof RAZAY - Exactly. I'm really impressed about the score from the staffing as you say, because it just shows you're actually caring for the most needy - it's actually satisfying.

Mr JAENSCH - Continuing the theme, minister, where we've been talking about injuries and the statistics that you keep around those. We talked about this in the context of motorcycles. In your annual report for 2023-24, which I think is the latest available at this stage -

Mr BALCOMBE - 2024-25.

Mr JAENSCH - 2024-25. That's out now? Thank you. There's a section in there on road safety and community involvement that details a number of different programs through which MAIB invests towards road safety. Is that just as a funder or sponsor of those programs, or is this informed by your statistics, so that its targeted investment intended to address areas where there is a high risk, and therefore also a risk to MAIB?

Mr BALCOMBE - Thanks, Mr Jaensch. There's a couple of facets to that. By and large, the largest slab of our funding is to fund the Road Safety Advisory Council. That goes in two elements, through the Department of State Growth and the police and emergency services - that is police and emergency services there to assist with funding enforcement activities and compliance activities on the roads. The Department of State Growth also looks after administratively the operations of RSAC.

We also have the foundation, which I think is some of the funding you're alluding to. How that foundation runs is it's prescribed within the act. What we do is we seek applications, and we go out to the public about May every year - Paul, is that my recollection?

Mr KINGSTON - May, yes.

Mr BALCOMBE - The target is to spend 1 per cent of our premium revenue on those activities. In order to qualify for funding, they have to contribute to road safety, or the management or prevention of injuries. It's a fairly tight envelope about that. We are targeting issues such as how we provide improved treatment. A lot of the things we are providing are education to schools in rural areas about quad bike training, for instance - there have been a lot

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of quad bike accidents over the years - so getting in early and training some of the younger children. Paul, you might have some other perspectives on that, as opposed to me?

Mr KINGSTON - Through the RSAC funding - so all the education programs and even the targeted police enforcement when we introduce the automated traffic enforcement cameras that can do speed, but also mobile phone use and seat belt use. They were -

Mr JAENSCH - Are these the 'pizza ovens' that they call them?

Mr KINGSTON - Yes, I've heard that on some of the social media forums. They were informed by the areas where we are most seeing increases and crashes and the cause of crashes, so we try to target those. Part of the criteria for placing them where they are on the roads, beyond safety for the people putting them out there, is actually on where there's a road safety reduction - where we can make the roads safer. It does produce a revenue, but it is very much targeted at trying to reduce the level of road trauma by making people regulate themselves on speed and other things. If people think they will get caught, they tend to drive safer, and we get the outcome we want.

Mr JAENSCH - You have some particular access to data because of the way your premiums work and the way you're paying out. Does that put you in a position to evaluate where your investment in a safety measure has made a difference to the incidence of accidents and losses to people?

Mr KINGSTON - It's probably not quite that direct. We definitely see a reduction in claims, and reduction in claims in cohorts or different types of users. We see that through the RSAC. That is where we access the crash data and that's all we try to put in the education enforcement. The two tend to match up more than being a very direct link, but we definitely see the outcomes. We're the beneficiary of a safer road environment. That's why we invest so heavily in it upfront.

Mr WINTER - My question is to Mr Balcombe. Has the board considered TasInsure around the risks that it might present to MAIB, if the government's stated policy is implemented?

Mr BALCOMBE - We haven't.

Mr WINTER - Have you raised any concerns about TasInsure with the minister, minister Abetz or the Premier in relation to this?

Mr BALCOMBE - All we've done is ask the minister if he has any information when we met with him, and he has not had any information. We've been waiting for either contact from government about if MAIB has a role, and the next thing we've seen is the discussion paper from government.

Mr WINTER - The proposal is that the existing MAIB balance sheet will be leveraged to deliver TasInsure, as I've mentioned earlier. Can you tell the committee what the risks would be to MAIB if your balance sheet was -

Mr BALCOMBE - I think it says the initial proposal considered that might be the case.

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Mr WINTER - The initial proposal - I will read it - says:

The initial proposal is that the existing MAIB balance sheet will be leveraged to deliver TasInsure

et cetera. So, that's the proposal as it currently stands.

Mr BALCOMBE - The initial proposal. This is talking about another arrangement, where there's going to be a study undertaken about what TasInsure might look like, and we will participate in that study.

Mr WINTER - The stated policy from government is to utilise -

Mr BALCOMBE - Is it?

Mr WINTER - As far as I can tell.

Mr BALCOMBE - Well, it might be. It might've changed, too.

Mr WINTER - Minister, can you tell us, is that the stated policy intention to use MAIB balance sheet to support a new TasInsure business?

Mr VINCENT - I think I already answered that, but I'm not aware of the details and what they're looking at. I'm not the minister for the proposed TasInsure. I'm the minister for MAIB and I will deal with it when it comes to me.

Mr WINTER - This is incredible. I mean, it's the signature policy from an election held only four months ago. It involves using presumably hundreds of millions of dollars in assets from the balance sheet that you're the portfolio minister for, and you're telling the committee you know nothing about it?

Mr VINCENT - That's correct.

Mr WINTER - Do you think that you should know something about it, minister?

Mr VINCENT - Not until the point it is presented to me, as the minister. It doesn't come under my ministry at the moment. I deal with what's under my ministry.

Mr WINTER - But it does, though - you're the portfolio minister of MAIB, minister.

Mr VINCENT - It is purely a paper that is looking at various options, and when it's time it will come to me.

Mr WINTER - In terms of the policy position from government, I want to try to get to the nub of what the policy actually is. What we've been presented with, and the public's been presented with through this consultation paper, minister, is that the proposal is to utilise MAIB's balance sheet to leverage that and then create this new insurer, TasInsure. It's progressed to such a point now where there's actually a draft bill that establishes TasInsure.

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Are you able to tell us what engagement you've had, if any, with the Premier or the Treasurer about utilising MAIB's balance sheet, in order to support the establishment of this new business?

Mr VINCENT - I think I've answered that four or five times now. I haven't had a discussion about that; they are still working through the understanding of what they've put out and working through it. When it's time for me to be informed and work through it, I'm sure I will be informed.

Mr WINTER - I suspect the time was probably a few months ago, minister.

Mr VINCENT - You're suspecting.

CHAIR - We will try to get around to everybody. I wanted to talk about driver training as well - to continue on that, because we were talking about motorbikes. I wonder what sort of learner driver training is targeted in regional areas?

Mr VINCENT - I will start off on this, to go to something more specific. This was raised in the upper House recently by one of the members raising that concern, especially in regional areas where the death rate, I think, is in the mid 60s of our road accidents, as well as motorbikes - motorbikes and ATV's play a big part of that. It is certainly something on my radar in the new year. I've had discussions with other members of the Road Safety Board, as well as RACT's CEO, regarding dealing with that. It is foremost in all our minds that that is a real area of concentration. With that, I'd like to hand to the CEO, thanks.

Mr KINGSTON - Thanks, minister. Thank you, Chair. We actually have, through our foundation funding that the chair spoke about, that the MAIB board sign off on, we've targeted ATV training particularly for high school students in regional areas for many, many years - Campbelltown, Lilydale, Yolla and I think we've done Scottsdale in the past. We've actually provided them funding to train the children who are no doubt on farms and are no doubt already using their ATVs in a lot of cases, to actually get trained properly. In some cases, they get a TAFE certificate. In others they get the training they need to be able to head on towards their licencing.

We've received very good feedback from the schools that that's helped from not only the students, but they tend to go back to their farms or their regional areas and talk to their parents and other people, to try to talk to them about the safety of using ATVs. That's been one that we've targeted specifically ourselves.

CHAIR - My question wasn't specific to ATVs, but about other regional training - you are targeting that more generally, anyway?

Mr KINGSTON - That training will be distributed by Transport, through the Department of State Growth. I sit on RSAC; we see a lot of policies - we don't get into all the detail of exactly how the training is delivered, so it'd probably be more a question for State Growth in an Estimates committee. While we fund RSAC, we don't control driver training policy.

PUBLIC

CHAIR - Minister, did you want to add anything to that? It's a big concern that these areas that volunteers have helped, and it looks like there's a policy shift away from supporting those organisations. Can you elaborate on that?

Mr VINCENT - In the few months that I've been the minister in this area, it's fairly obvious that there are a lot of people with concerns about the high percentages in this area. This year's funding has already been committed to and programs; but there is an open mindedness at the moment to look at what works elsewhere, what we might need to do differently from present programs, and work into the next financial year of funding with some fresh thinking would be my simplistic way of putting it, towards what else can be done to highlight this in certain areas. The CEO just touched on moving into specialised regional areas to do it, and that's along the lines of what we need to do - certainly a realisation program about how serious this is amongst young people.

CHAIR - Okay, I guess we will have to watch that space.

Prof RAZAY - Honourable minister, to the chairman. One of the hardest things in dealing with severe traffic injuries where they need lifetime care, is when you have a member of the family looking after them as well. You especially think about the young people, that it takes so many years and they need so much care to provide them support - because some of them feel guilty that they have to provide all that care. How do you deal with situations like this?

Mr BALCOMBE - I will make a few comments and then I will probably hand over to Paul, here. These incidents are life-changing obviously; not only for the individual involved in the accident, but it's also all those around them. Those changes can come through changed circumstances and in particular care. A lot of families provide their care gratuitously - they take it on as their duty.

One of the things we have an eye to as part of our funding arrangements, is if external care is required, we will fund that. We don't fund gratuitous care because families generally are volunteering to do that. We also look to issues such as mental health of the families and the carers as part of that, because there's a lot of trauma that comes with injury in particular. It's certainly something that when we look at our high-severity incidents, we look to the care of the family.

We have a very coordinated team of carers - whether it's in our facilities or outside our facilities, we have a panel that looks after that. We have a lot of rehab providers as well that look after the injury management. But the impact on families can be massive and it's certainly something we have a focus on. I might hand over to Paul.

Mr KINGSTON - As the chairman said, we own four facilities around the state, and we actually have respite care there. We have independent living units around our main facilities allowing people who are looking after their loved ones to be able to take them to there, have professional care, look after them and it gives a holiday to the family, potentially. We also fund for a lot of our lifetime care clients' holidays as well, and their carer or direct family member can go with them. We do quite a bit to try to engage the family and the care and make sure they're looked after.

PUBLIC

CHAIR - The time for scrutiny has expired. I hate to cut you off halfway through a sentence.

I thank the witnesses and minister for attending today, and I thank the committee.

We will be resuming very soon with Metro Tasmania.

The witnesses withdrew.

The committee suspended from 3.00 p.m. to 3.04 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Railways Pty Ltd

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Mr Roger Jaensch
Ms Anita Dow
Ms Jen Butler
Prof George Razay

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MP, Minister for Infrastructure and Transport

Tasmanian Railways Pty Ltd

Stephen Cantwell
Chair

Steven Dietrich
CEO

Josh Bradshaw
Manager Corporate Affairs

(In support)

Joe Tidey
Chief Financial Officer

Stephen Kerrison
Chief Projects Officer

PUBLIC

Tasmanian Railways Pty Ltd

CHAIR - The time being a little after midday, scrutiny of Tasmanian Railways will now begin. I welcome the minister and representatives of Tasmanian Railways, along with the others at the table. The time for scrutiny is one hour, or just shy of one hour, we will finish on-the-dot at 1 o'clock.

Members would be familiar with the practice of seeking additional information which must be agreed to be taken by the minister or the chair of the board and the questions handed in writing to the secretary.

I invite the minister to introduce any other persons at the table, including names and positions, and invite you, minister, to make an opening statement. Given the brevity of this this session, if it could be a fairly short statement, thanks minister.

Mr VINCENT - Thank you. On my right-hand side I have my chief of staff, Tim Lovibond. I will ask chair of TasRail to introduce his team, please.

Mr CANTWELL - Thanks, minister. Stephen Cantwell, Chair of TasRail, and to my left, Steven Dietrich, CEO, and Josh Bradshaw, our executive responsible for communication. Behind us we have Joe Tidey, the CFO, and Stephen Kerrison, chief projects officer.

CHAIR - Thank you.

Mr VINCENT - Thank you, Chair. It's pleasing to report that TasRail has continued to provide safe and reliable services to all its customers during the past financial year. As the state's biggest mover of freight, that's a considerable achievement and doesn't happen by chance. Over the past 10 years, the Tasmanian government has continued to support the rebuilding of the state's rail infrastructure, after significant underinvestment while it was in private hands, and that is paying off.

TasRail moves almost a third of Tasmania's freight task at just over 3 million tonnes per annum, which means fewer trucks on the road, improved safety and lower road maintenance cost. Moving goods by rail is also four times less greenhouse-intensive than truck, which means that every tonne of freight on one of our TasRail wagons is better for the environment.

2024-25 saw TasRail transport 498.3 million net tonne kilometres and, while slightly down on last year's record of 516.4 million, this remains above the five-year average.

The above rail business was ahead of budget by \$2.2 million before impairment, with \$3.8 million in cost savings contributed as a result.

In line with TasRail's continual focus on safety for fit-for-purpose asset, it recorded zero mainline derailments during the year. This continued investment will allow TasRail to maintain and grow its current freight task and provide safe and on time competitive services.

Concerningly, we continue to see examples of poor driver and pedestrian behaviour on and around level crossings. TasRail is continuing to work with Tasmania Police and the Road Safety Advisory Council to address these behaviours.

PUBLIC

I'd like to thank TasRail's chairman and board of directors for all their guidance and oversight over the past financial year, as well as the company's management and staff. TasRail continues to set the example of how to be an exemplar of strong and reliable management as a state-owned company and I appreciate all those who contribute towards this. Thank you, Chair.

Ms DOW - Minister, I will take you to the northern suburbs rail line and I want to ask, through you to the chair, has TasRail done any research or study in the past 10 years regarding passenger services on that railway line through Hobart's northern suburbs?

Mr CANTWELL - The short answer to your question, member, is no; but obviously, as a rail organisation, we keep across developments outside of our remit. TasRail's charter is very, very specifically focused on the movement of freight. I think this was a topic of discussion at last year's scrutiny where there was some interest from the committee about the potential reconstitution of that northern line for passenger light rail. I think the records will show that we provided some insight into that proposition at the time: light rail is very much, around the world, a standard-gauge operation. That's a narrow-gauge corridor. Anything's possible, but there would be quite a significant task before the Tasmanian people and Tasmanian government to reconstitute that corridor in a light rail configuration.

Ms DOW - My second question, minister, is around the Derwent River crossing and what options there are to connect Hobart to the main line in the future, now that the Bridgewater Bridge crossing is closed?

Mr CANTWELL - That would be very difficult. The new Bridgewater Bridge doesn't accommodate rail geometry, so it would be almost impossible, we would say, to bring trains across the river back into central Hobart.

Ms DOW - TasRail's annual report states freight availability at 99 per cent, which is pretty outstanding and exceptionally high. What do you think is specifically driving that result?

Mr CANTWELL - It's appropriate to observe that TasRail stands apart, not only in the Australian rail context, but in the global freight rail context, in being able to deliver freight availability at that level. It comes down to laser-like focus and discipline within the organisation on what the customer requires; also, it reinforces the extent to which there is not one piece of business that TasRail does that it doesn't have to compete intensively for with the road transport sector, which is different to mainland railroads. It's down to the good efforts of the people of TasRail.

Ms DOW - On that topic, then, and your targets around freight and increased capacity for TasRail to take on more; as an organisation, have you set yourself a goal or a target that you want to meet to increase rail freight in the state?

Mr CANTWELL - Absolutely. The organisation is very enthusiastic about increasing the volume of freight on rail for the reasons that the minister identified earlier. It's much more environmentally friendly to have freight on rail. It delivers a significant level of amenity to the community relative to the large vehicles on road. We have pretty much all the contestable rail freight task in the intermodal sector on the north-south corridor. We've grown the forestry business manyfold. The CEO might be able to give the exact number in the last several years.

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Our focus now, through the investment in both the Hampshire hub, and the redevelopment of the Bell Bay area from a rail perspective, is to attract more bulk volume. Specifically we'd like woodchip, but there's no doubt in our minds that another million tonne of freight to rail would certainly put TasRail on a much more sustainable position from a commercial perspective. The organisation is relentless in its pursuit of that business development. There are plans in place and there is work happening to provide the infrastructure upon which those increases in volume can be delivered.

Ms DOW - That's going to be my next question: what those infrastructure requirements would be.

CHAIR - There are two of us who want to ask questions, but okay, just ask the question then.

Mr CANTWELL - Very quickly: the infrastructure requirements are continuing investment in the existing below-rail infrastructure to maintain the quality of that, which I might add is essentially century-before-last railway technology, but it's in good order. It's about investment in the Hampshire hub, the new inland port facility in the north, and rebuilding the infrastructure in and around the Bell Bay port area.

CHAIR - My question, through you, minister, is around the workforce profile. I'm wondering about the gender balance - there are 20 per cent of females working with TasRail. What are you doing to address some of those issues of gender diversity, but diversity of employees more generally?

Mr DIETRICH - It's an excellent observation. When I first walked into this business, we only had about 5 per cent diversity in female participation and I think we can be incredibly proud to say that we've got 20 per cent. We operate a 24/7, 365-day business, mostly at night in all conditions: snow, winter, rain, hail. It does require a certain person to be able to work those conditions in our business. I'm pleased to say we don't just have female participation in the back office, but it's at the front line.

We now have four fully-qualified train drivers who are driving \$30 million to \$40 million assets across the network. We have six rail operators now working in shunting at all times of the day; we have two network controllers - we haven't had female network controllers for some time, so it's great to hear a female voice across the airwaves for all the infrastructure and train operations; and out of our three track engineers, two of them are female. We've really focused on - and everyone gets the job in their own right - but we've been open around how we can improve diversity in our business.

We sponsor the diversity and inclusion award at the Tasmanian Transport Association. We have been a very proud sponsor of that for many, many years and we continue to encourage female participation, and look to how we can get to schools and universities about encouraging more female participation to apply for positions at TasRail, but generally in the broader transport industry as well.

CHAIR - How does that compare to other jurisdictions, obviously larger populations, but how are you comparing?

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Mr CANTWELL - The Australasian Railway Association set a target of 27 per cent female participation, and it's interesting, most of the conversation is around gender diversity. The mainland railways sit somewhere between 20 per cent and 27 per cent, so we're certainly within the pack of the rail organisations nationally.

What we've done in TasRail is we've reviewed every single work description to give ourselves the confidence that we've removed structural impediments to participation by all employees. We have in TasRail, relative to the mainland railways, quite a stable workforce skewed to the older end or the more mature end of the workforce spectrum, so we have less churn. People like working in TasRail. The opportunity to get that diversification mix, that percentage up, the pace with which we can do it, is lower than what some of our mainland counterparts can do it.

On diversity more generally, it's a hard one to measure, but it's a source of satisfaction. As a director, and as executives, as we go around to staff barbecues and the like - these days we have to provide for all sorts of different dietary requirements and so forth. It's great to intermingle amongst a bunch of infrastructure workers; some are wearing turbans, and some are telling us that they come from the country that has the best cricket team in the world and so forth.

CHAIR - Twenty per cent is still pretty low. Do you think there's a culture problem at TasRail?

Mr CANTWELL - Absolutely not. It's a very inclusive workforce.

Mr DIETRICH - We've done a lot of work to make sure the culture's right to continue to grow that trend, and it's been a trend - it takes some work. We've also been improving the amenities - toilets across the network, so when trains need to stop, there's the right amenities and there should be the right amenities, whether it's male or female. We've done a lot of work around improving that but improving the culture and making sure that everyone feels comfortable in the organisation. It is a lot of shift work as well, so we do have to be conscious of that and how we treat people.

CHAIR - I was going to ask, given there was the survey done recently, maybe by one of the unions, I can't remember - RTBU was it? Yes. I'm wondering if there were people from TasRail who were surveyed in that, and are there concerns still for staff with toilets?

Mr CANTWELL - We survey our staff comprehensively about once every three years with a pulse survey in the intervening period. We would say that the absence of feedback from our people who are fairly generous in their comments as they respond to those surveys, that there isn't a culture issue that points to any sort of impediment to the establishment of the building of an appropriately diverse workforce.

Mr DIETRICH - I do know that RTBU survey recently and I know some of our female workers advise that TasRail's amenities are certainly of a high standard. We have done a lot of work, even before this was identified, to put facilities down the Melba line to make sure we've got the right things in place.

CHAIR - Thank you, Mr Jaensch.

PUBLIC

Mr JAENSCH - Good afternoon. Roger Jaensch, Liberal member for Braddon. The minister, in his opening comments, made reference to our rail network as an economic asset and chair, in yours, you talked about the contribution of rail freight to growth in a number of industries in Tasmania. Has the value of Tasmania's investment in rail been calculated and how do you go about putting a measurement on that?

Mr CANTWELL - Yes, thank you for the question. Good question. To bring that into the specifics, the minister in his opening statement talked about approximately one-third of the freight moved on the island is moved by TasRail. That's mostly export. That's about a \$5 billion per annum task, and TasRail's share of that is about \$1.6 billion per annum. So TasRail contributes to the movement of about \$1.6 billion-worth of freight per annum. Most recently, though, there's been a study commissioned, which is now available on the TasRail website by 2XF that demonstrates very clearly that, for every dollar invested in the Tasmanian rail infrastructure, the state achieves a return of \$1.30.

Mr DIETRICH - Can I just add, I wouldn't mind tabling the economic value of TasRail report that's been recently commissioned by 2XF, so that's available and you can get that link through the annual report by scanning the QR code as well, to see the full detail of that report.

CHAIR - Excellent, thank you. Ms Dow.

Ms DOW - Thank you. I want to take you to the Melba hub that you mentioned before and the Melba Line. I'm from the north-west coast, so I have an interest in this and understand the economic potential of this investment. Can you provide the committee with an update on progress to date and talk about any type of business case that's been undertaken around the future viability of the Melba line as well, given some of the developments that may occur with the mining industry on the west coast to support that investment?

Mr CANTWELL - Sure, it would probably be appropriate to pass that straight to the CEO.

Mr DIETRICH - Excellent question, Ms Dow. As you know, the north-west is an incredibly important area for our business, for industry and for Tasmania. Pleasingly, it was great to see the Australian Government sign an agreement with the US around critical minerals. We've invested and implemented a project of complex significance and delivered that shiploader, the mineral shiploader, on the Burnie Wharf. That was a \$64 million project to replace a unit that had been there for 50 years, that was tired and needed to support the existing mining industry. This new shiploader, along with the expansion of the bulk minerals export facility, another \$18 million, fully funded by the Australian Government, will invest \$82 million into the Burnie Port on berth 5 that we own and operate the facilities there.

This is what I call 'the shop window'; we have pulled the curtains back and we're open for business. So, this will give confidence to industry around looking at opportunities for concentrates, minerals and so forth from the north-west region that they can efficiently and competitively get their products to market; it's critically important to them around the supply chain and how they can get their products to market.

Along with that, we've also got \$18 million to build a new facility which we are looking at a location around the Hampshire region, that's co-funded between the Australian Government and the state government on an 80-20 basis. That's to create more storage capacity

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for a mine and other business opportunities in the region. It is very close to where the Forico plant works. So, that's an opportunity to almost convert 300 000 tonnes to 400 000 tonnes of product that's on-road, going up the Murchison Highway through Ridgley onto the rail and then down through our services into the Burnie Port. So, it's a very exciting opportunity.

The \$18 million that I mentioned that's being invested on the bulk minerals export facility, that will create an extra 20,000 to 30,000 tonnes of capacity in that storage facility, so at the moment it has a storage capability of 130,000 tonnes. We service multiple customers across multiple products, everything from zinc, copper, lead, pyrite, iron ore. That will then also provide more storage for the future.

This project was not only to make sure that there was a sustainable solution and reliable safe solution for existing customers, but also for the next 10 to 20 to 30 years. It's been an exciting investment. It's a fully integrated, seamless supply chain that will be here for a long time, supporting a lot of jobs on the north-west.

Ms DOW - When can we expect that to be complete? The construction of the hub or in place -

Mr DIETRICH - The Hampshire Hub, that's over the next two years. We're well progressed in design. We're well progressed in land acquisition with the neighbouring property owner, which is a large forestry owner. That's basically all been ticked off and we're well progressed with commercial discussions with the proposed user-anchor tenant, or anchor-user for that facility, so it's all coming together. We're also now starting to field a lot of other enquiries from businesses that are keen to explore what that opportunity means to them and put their product onto rail and or utilise some of the storage capability there as well.

Ms DOW - The extension of the line to Melba Flats, the reopening of that line - what work needs to be done or what would need to happen or level of investment from government to see that come to fruition?

Mr DIETRICH - Yes, that's a very good question. We've done a series of assessments on that over the last couple of years. It does need some significant work because it's been unoperational for some time.

The Melba Flats facility and the storage facility there is actually a very good facility. We're quite excited about the prospect that at Queenstown and the Copper Mine Tasmania, now owned by Sibanye-Stillwater are looking at opportunities around reopening that and processing tailing dams, et cetera, in the future. So we're very closely working with them. We're in discussions and what that looks like for reopening the line.

I don't have an exact number now, but depending on how much maintenance we want to do on that facility, we're talking anywhere from \$8 million to \$10 million to potentially reopen that part of the line.

There's been a lot of, as you'd appreciate, weather impacts down there. A lot of cobble work needs to be done. Bridges need to be fixed. But we've got our eye to it.

CHAIR - Minister, I wanted to go to the issue around level crossings. Do you think that drivers are sufficiently aware of the dangers around rail lines?

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Mr VINCENT - No, I don't, having stood there with Stephen and the police at Ulverstone and a couple of different spots. Some people are very observant. Other people just go and park on the line. There is a program in place, federally funded with the state at the moment, for yellow boxes around some of the crossings, which is proving quite beneficial already. To stand there and actually watch it, it's quite amazing that people have a complacency towards the lines in some towns.

But TasRail has an amazing safety-conscious focus; we start any of our regular fortnightly or monthly meetings with a discussion on various safety things that may have occurred or just that they would like to talk about. I think that focus is making a difference to how TasRail views some of these projects as they do come available from the mainland for funding.

I will hand to the CEO to talk a little bit about the yellow box.

CHAIR - Yes, because there's been a rise in incidents.

Mr VINCENT - Yes, there has been. A lot more cameras around these days, so a lot more of it's being filmed, which is handy for obvious reasons.

CHAIR - Best avoidable.

Mr VINCENT - Yes, but it's teaching us things also about driver habits and how they rush it. I will hand over to the CEO to explain a little bit more of the work they're doing in there because it's quite significant even with the timing of when the lights come on and the automation of that.

Mr DIETRICH - I have a little prop. There's some recent works just been completed in Ulverstone. I will hand that through to the committee.

CHAIR - Yes. Thank you.

Mr DIETRICH - Yes, we've seen certainly an increase in level crossing near-hits from one year to the other. We are out there doing a lot of campaign work with education, schools, media to try to reinforce the safety message. I've been very appreciative of the minister along with TasPolice, who have been excellent around supporting safety initiatives around level crossings.

Through that process our train drivers have been incredibly excellent around reporting incidents and also the technology we now have on locomotives with forward-facing cameras is picking up members of the public - and its only small percentage; 99 per cent of the people do the right thing, but the one per centers continue to not obey road rules.

Level crossings are not rail rules. They are road rules. I can tell you now that locomotives do not apologise. What I'd say to the community is lose a minute not your life by trying to beat the train across a level crossing. We will continue to promote that. We've done some excellent media. If you look at our socials on Facebook back to about 10 August, we published a great video regarding the safety and the consequences of not obeying road rules at level crossings.

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As part of that, we've been very fortunate to pick up some precious funding through a regional level crossing fund by the Australian Government and supported by the state government. That came about after two train drivers lost their lives on New Year's Eve a couple of years ago on the South Australian/Victorian border.

There's some funding available that we have managed to secure, and we've secured five million, four million from the Australian Government and co-contribution from the state government, a million. At the moment, we are in the process of upgrading 10 different sites across the north of the state: Oonah Road, Highclere, Buttons Avenue, Alexander Parade, Water Street, Ulverston; Main Street, Ulverston, and Ribey Street, Ulverston.

We're putting in illuminated stop signs, so the stop signs will start flashing as the car approaches to try to get the driver to focus.

CHAIR - Would that be on all level crossings?

Mr DIETRICH - No, that will be on Picnic Point at Ulverston, Deviation Road, Westbury East and West and then we've got the yellow box markings that I've just provided.

Mr CANTWELL - It's not the higher risk, but it's worth emphasising that is a new technology that TasRail is investigating that flips the coin if you like traditionally the warning systems have been rail-activated. This is road-activated warning. This is so the level crossing lights traditionally have been on high volume level crossings activated by the locomotive. This flips it round and sends a message to the road users that you're approaching a level crossing and that you've got a requirement to stop and look or whatever the level of protection is.

Mr VINCENT - Also while we're looking at it, I had a meeting the other day with the national safety body for rail, both on a national link-up and then one-on-one in the office. They're even looking at the lighting technology on the various engines and so forth as well to see how that can be improved with modern technology to be a greater warning when they're approaching intersections. There is a lot of work being done from both sides on this.

CHAIR - Minister, just to finish on this, is there a discussion with the Road Safety Advisory Council and do you have an issue with driver knowledge generally?

Mr VINCENT - Yes, there is discussion through the Road Safety Advisory Council regarding this. I'd have to say by the increase that there is a level of complacency with driver knowledge. We hope that the yellow boxes will highlight a few things, but it certainly needs to be part of the increased knowledge that we're passing on to our younger drivers. It's also the older drivers too that park across the railway line, so constant work needs to be done.

Ms BUTLER - May I suggest on the yellow box evidence that has been provided for the *Hansard* that won't make any sense. It might be a good opportunity for you to explain what that picture is that is the prop.

Mr CANTWELL - It's simply an additional indication on the road, a painted indication to warn road users that they're approaching a high-risk point in the road network. It's high-vis, highly visible, highly obvious hatching on the road surface as an additional warning to road users.

PUBLIC

Mr DIETRICH - What it also does is - the sites we've identified quite often there can be congestion. Traffic is queued up from a set of traffic lights further up. This will make sure people aren't stopping on the network on the track when they're in traffic congestion or something of that nature, that they totally keep clear of this area.

Mr CANTWELL - The hatching, that yellow box, represents an exclusion zone for drivers. It effectively says do not park here. As the minister said: don't park on level crossings. Well, this says this is a level crossing.

Mr JAENSCH - The annual report makes a number of references to significant investment in asset maintenance and refurbishment of rail and of locomotives and other things. How does this translate into reduced costs or increased efficiencies or productivity of the rail system and how do you measure that?

Mr VINCENT - Before passing to the CEO, the upgrade of existing locomotives is quite interesting. The industry is going through a transformation to new technology over coming years and it's hard to know which way to jump or when to jump with that sort of thing. So extending their life has given TasRail a lot more capacity before it has to make a decision on new technology towards environmentally friendly locomotives. I will also pass to CEO to talk a little bit more or the chair if he likes.

Mr CANTWELL - TasRail needs locomotives to accommodate the freight task. New locomotives are very expensive kit. If we were to pursue additional new locomotives, we'd be looking probably north of \$10 million per unit. So, as an alternative to that approach to provide the capacity that we need to accommodate the freight volume, we're remanufacturing up to ten 60-year-old locomotives. These locomotives have been in service for a long time. TasRail, in looking at all the options, came to the conclusion that the most effective approach, to pick up on the minister's comment about a stepped or a phased approach to asset renewal to allow us to keep our eye open for new and more environmentally friendly propulsion systems, is to do our own work.

At TasRail we're rebuilding in our ETJ workshops these locomotives. They're being repowered with refurbished diesel engines. What comes with the refurbishment process is a whole new set of computerised controlled systems that controls the power to the ground, it controls the fuel into the system. So while they are a 60-year-old locomotive, they come with current technology control systems. They use less fuel; they deliver more attractive efforts. They are making, if you like, grandfather's axe new again. It gives us a unit - and the CEO will correct me if I'm wrong here - at about \$2.5 million per unit. The remanufactured same unit on the mainland comes the price tag of about \$5 million.

As I said earlier, if we were looking for a new locomotive it would be about \$10 million, So we get for \$2.5 million a locomotive that will give us another 10 years minimum service and this renewal of an old asset approach. It's living within our means and delivering a fit-for-purpose piece of kit to accommodate the freight task going forward.

Mr VINCENT - Bring insurance premiums down too, I suppose.

Mr DIETRICH - If I could further add to that, it circles back to that 99 per cent freight availability. That doesn't happen by chance. Obviously good drivers, but it requires a lot of parts of our business to make sure we hit that performance metric and rolling stock,

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maintenance, good driver performance training. What also is delivered through our maintenance program is the impressive result that if people who know this business going back 15 to 20 years ago, it was quite regular for a train to have a derailment. As of today, we have gone 576 days mainline derailment free and that's over 120 services a day.

I use the analogy in the business that it's like sweeping water uphill. If you stop, it will be all over you. You cannot stop. So, it's only a statistic. It's as good as today. But if we go back to - we had an incident at Westbury where a truck collided with our train. That was probably the last severe derailment not caused by infrastructure, rolling stock or equipment. So, that was one.

If we look prior to that Westbury incident, we're 1072 days, and if we go prior to the previous mainline derailments, which were two front wheels off the track due to the weather, we're actually 2334 days mainline derailment free, from an infrastructure/rolling stock perspective. That's incredible.

What that's manifesting itself into is our discussions with our underwriters and insurance and risk profile. This financial year, we managed to save 18 per cent on our insurance premium. In a rising insurance market that's been very high. We managed to save 18 per cent on our insurance premiums by demonstrating this type of performance. The confidence and the confidence with our customers is putting the reliability back into the system and, hence, managing that risk profile; we've seen some really great outcomes.

Mr JAENSCH - As well as safety and environmental from less derailment.

CHAIR - Thank you. Given we have a very short amount of time and Prof Razay has just arrived.

Prof RAZAY - Yes, it's encouraging to see that TasRail recognises its essential role in Tasmanian life, particularly as a provider of sustainable freight transport and logistics. The railway line in Tasmania goes back to 1876, when they opened the line between Hobart and - was it Launceston?

Mr CANTWELL - Yes.

Prof RAZAY - I live not far away from Evandale and Western Junction - it's 199 km - and I'm thinking for the future. My question is, could the south line be used to connect people between north and south? I'm thinking particularly of tourists and even Tasmanians who would like a unique Tasmanian tourism experience. Especially as we see there is a growing congestion in our cities. Do you know there are 500,000 registered vehicles in Tasmania? I wonder if there is a case in the future that there might be a role for trains.

Mr CANTWELL - When you say the south line, are you talking about from Bridgewater into Hobart?

Mr DIETRICH - No, Brighton up to Launceston.

Prof RAZAY - Up to Launceston. Western Junction, Westbury, yes.

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Mr CANTWELL - Okay. Your point is well made. For our core infrastructure, we're not using last century's railway. We are using the century before last's railway. So, that's the technology upon which we're offering a service up to the freight community. It takes about 12 hours to get a freight train from Brighton through to Burnie. A truck can do that in 3.5 hours. However, what TasRail can offer to the community is that 99.7 per cent of the time we will get that train to whichever end we're promising to get it to within the window and, as we have talked about, with the derailment statistics, we can do it safely and reliably.

We're certainly open to the notion of passenger trains operating on the network, particularly along the north-west coast. It presents an iconic piece of corridor for tourist-type rail operation. But the headspace that we're in regarding those discussions, is that any passenger operation on the TasRail network would be for experiential as distinct from commuter, or as distinct from people movement because time is a premium for people and, if you're going to travel from north to south or south to north, the Midland Highway is probably the most efficient way to get you there.

So, to answer your question, TasRail is open to the notion of passenger trains operating on the network. Whether they're under the banner of TasRail or not is a question to be answered, but certainly there are opportunities there and we would say particularly in regard to tourist activity on the north-west corridor.

Mr DIETRICH - I think, to add quickly, never say never, but we're working closely with Don River Railway and what they're looking to do with the tourist experience coming at around the Coles Beach area and how they can access the mainline. We're very supportive of their endeavours and working very closely with them but, as the chairman said, and as you've highlighted, we have some iconic areas, and it would be lovely to see some commuter transport, more in a tourist aspect of things, but never say never.

Ms DOW - Minister, I understand that TasRail has a proposal to extend and expand the mineral shed at the Burnie Port in line with their developments with the hub at Melba. Is the Tasmanian government supportive of that, or have you been approached for funding, or will you be providing funding to ensure that happens?

Mr VINCENT - I will check with the CEO, but I'm pretty sure that was part of the deal with the shiploader. There is \$20 million -

Mr CANTWELL - \$18 million.

Mr VINCENT - \$18 million - pretty close - set aside for that. They've been working through the extension onto the corner of the shed there and that is funded already.

Ms DOW - I thought there was a requirement for additional funding, but is that not correct?

Mr DIETRICH - No. We have additional funding - the shiploader itself was \$64 million, and we have an additional \$18 million, which will take it to \$82 million.

Ms DOW - So it's covered?

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Mr DIETRICH - Yes. We're looking at the south-east corner, working very closely with TasPorts and we're doing a lot of GOs and trying to work out exactly what needs to be done to be able to expand the footprint of that facility. If you add then - sorry, for the confusion - another \$18 million, which is the Hampshire hub, it's actually a \$100 million investment into that whole supply chain on the north-west coast, which is very exciting.

Mr VINCENT - I might draw attention to the fact that TasRail is working pretty closely with Strait Link from our previous hearing. They've been able to move buildings and the use of the port facility to be able to increase Strait Link's - I was about to say floorspace but - areas for containers and shorten up their movement. There's been a level of cooperation on the Burnie site between TasRail, TasPorts and Strait Link to maximise Strait Link's usage of the port area.

Ms DOW - Can you provide an update please - through you, minister - to the committee on your EBA negotiations?

Mr DIETRICH - Yes. EBA negotiations are continuing. We're working with both unions through the process, the RTBU and the CEPU. There have been quite a few meetings working through the various areas of the agreements. We do know that the unions have put a ballot toward, or a request to Fair Work for protected action, and are seeking approval to look at that, but we continue to bargain in good faith. We've put an offer on the table, which is 13.5 per cent over four years and an early sign-on incentive, along with appropriate back pay. We continue to engage with both the RTBU and the CEPU - there was a meeting just yesterday working that through and there is another meeting scheduled for next week. We have some independent bargaining reps attending that meeting as well.

Would we like to be a bit more progressed? We would, but there's been some changes on the union side of things, with the delegate leaving and some new people coming on board. We're going to continue to push as hard for our people - we want our people to get a pay increase, but we also have to continue to make sure that it's affordable and sustainable for TasRail for the long-term future.

We want the best for our people. We've been looking at classification structures. We're conscious that - particularly with some areas within our trades - that we need to make sure we're looking at those classification structures. But, from our perspective, we're working as well as we can, as hard as we can, and we just want an outcome.

CHAIR - Minister, the question to you first - it's a policy decision relating to enabling things to happen for the Macquarie Point Stadium, but it goes to the heart of the Northern Access Road, which I understand forgoes some of the rail corridors. Most cities would give their right arm to have a rail corridor intact for future use. What's your decision-making in relation to this, and advocating for that corridor to stay intact?

Mr VINCENT - Certainly, the Northern Access Road does cut across part of the rail corridor there, but State Growth has made provisions for it to interlink, should that corridor be used for anything in the future.

CHAIR - Has TasRail disposed of any land along there, as yet?

Mr DIETRICH - No. On the Hobart non-operational line?

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CHAIR - Yes.

Mr DIETRICH - The only thing we've done is through the Strategic Infrastructure Corridors act provided a section to the Tasmanian Transport Museum, who are looking to come out.

CHAIR - Alright. It's great to hear that they're going further. Does that involve any level crossings for the operation?

Mr DIETRICH - It does for them, but that's been removed from our remit.

CHAIR - You don't have any safety or responsibility for that? So, that falls back to you, minister, to make sure that those little crossings are safe?

Mr VINCENT - When those sorts of projects happen, there is a lot to do with safety and how it's to happen. I don't think we're at that stage with them.

CHAIR - Lastly, because it deals with the rail corridor, there are moves afoot to have a rapid transit bus and I'm curious, minister, how that project will determine the fate of the very precious rail corridor.

Mr VINCENT - Yes, certainly I can say that, as discussed last week, the funding is being sourced at the moment to do a full strategic plan on that corridor and there will be more information available publicly as that strategic plan is developed.

CHAIR - Is there anything more for the chair or the CEO to add to that?

Mr CANTWELL - No. We are the servants of the state and where we have capability to add, we're very happy to make that available.

Mr DIETRICH - Just back on the Tasmania Transport Museum, as part of the Strategic Infrastructure Corridor act, they become the rail infrastructure manager so they're responsible for the level crossings and the upgrade of the network of this section that they have under their control.

CHAIR - It's no longer in your purview?

Mr DIETRICH - No. They did some test running, as I understand, recently, and they're using some people at level crossings to secure and do different things to make sure the safety of those trains.

Mr CANTWELL - They will have had a safety case that they would put to the rail regulator in the same way that we do.

Mr DIETRICH - That's correct.

Mr CANTWELL - The rail regulator will have signed off on, however it is that they propose to manage the safety of operations on that corridor.

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Mr RAZAY - Going back to the importance of rail in reducing carbon footprints. We have an enormous number of trucks delivering containers to TasPorts. How are we doing with that because using the rails can make a big difference in reducing our carbon footprint?

Mr DIETRICH - It's a great observation. I'm pleased to say we moved the most number of containers in the history of TasRail last year - over 86,000 TEU (20-foot equivalent) containers, but there is more work to do. The volume that we move - we are the biggest mover of freight in Tasmania, and our estimation is that we keep, basically, the equivalent of 200,000 trucks off the road in terms of the volume we move.

We are focused on our relationship, particularly through the Burnie Port and the connection with the shipping operations that freight is coming off the ship and straight onto the train. The trains are just effectively a big conveyor system. It's the arterial of Tasmania and we're just transporting down a big conveyor system bulk freight, in significant movements. We certainly moved the most amount of container freight in the history of the business last year. That's on a footprint - effectively, we're four times less from a carbon emissions perspective to road. So, for every four black balloons going up on road per tonne of freight moved per kilometre, we only put up one.

Now, does that mean we're sitting on our hands because we still burn some diesel? We are looking at the new technologies and the chairman mentioned that earlier around battery locomotives, what new engine technologies may look like. As we know, this is - we're very much a net zero state and - hydropower. It would be great to have a battery powered locomotive moving freight across Tasmania, but a little bit more time and a little bit more work to do in that space.

CHAIR - Mr Jaensch, do you want to ask your question?

Mr JAENSCH - Yes, I do. Definitely.

CHAIR - Alright.

Mr JAENSCH - Thank you very much. Through you, minister, there was some information volunteered about support for tourist rail in the north-west. Apart from access and negotiating how to share, the mainline for that operation is TasRail proactively supporting their bids for the rail regulator's approval to do so on those sorts of matters?

Mr DIETRICH - You're referring to Don River Railway?

Mr JAENSCH - Don River Railway. Yes.

Mr DIETRICH - We're certainly engaging. I had our senior engineers meet with their people. They've just engaged to look at what the safety management systems are, what our braking systems are, and how they can build their rolling stock and effectively safely get onto the network. It really is up to Don River Railway to build their own safety management system and get accreditation, approval and endorsement from the rail regulator. They need to do that in their own right, but we're supporting anything we can help them facilitate that, but they need to develop it themselves, ultimately.

Mr JAENSCH - I think in previous iterations -

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CHAIR - Ms Butler, we've had an answer. Ms Butler, would you like to ask your question?

Ms BUTLER - How much are the top two executives of TasRail paid including allowances? Through the minister, of course.

Mr CANTWELL - It's in the annual report.

Ms BUTLER - Yes.

Mr DIETRICH - Not enough.

For myself, a base salary of \$381,000, super \$43,000, vehicle \$12,600 which is \$438,000 TRP. For the chief projects officer: \$305,000 base salary, superannuation \$35,000, \$17,000 for a vehicle, \$358,000 TRP. We don't have any incentives or bonuses within the business.

Ms BUTLER - There are no performance bonuses?

Mr CANTWELL - No, we specifically engineered those out of the business.

Ms BUTLER - When did you do that?

Mr CANTWELL - Three or four years ago. I can't remember the date, but we specifically negotiated those away from senior executives on the basis that we believed they were inconsistent with serving a government-owned corporation.

Ms BUTLER - Was there an increment to the salary level based on the loss of those performance -

Mr CANTWELL - Yes, there was, I can't remember the percentage. Was it 7 per cent?

Mr DIETRICH - Yes, it was a portion that was just applied to the base. We sit within the banding that's provided by Treasury. There's a banding level for all state-owned corporations and GBEs and we sit below that banding level for what the CEO position remuneration is, then from that, you have the other Treasury guideline requirements for the next executive [Inaudible] up to 80 per cent of that value and the whole executive team can only be 70 per cent of that banding value.

Ms BUTLER - I'm going to jump here if that's alright, Chair.

I have a question on shoulder injuries for locomotive drivers. Is that an issue, and if it is, how is TasRail addressing it?

Mr DIETRICH - It's predominantly been on the south line due to all the tight curves and the geometry and the topography we have to transit. There is a lot of movements by particularly our train drivers. Last year we only had two incidents of someone providing notification, so no lost time, no injury that caused a person not to be able to come to work.

We've recently, over the last six months, engaged some biometric people who have wired up some of our train drivers to look at all the different muscle movements. We're analysing all

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that information as we speak. It's provided some great information which then we're feeding into the design and any engineering improvements that we can put into any of the trains.

Ms BUTLER - Yes, because do you have any -

CHAIR - The time for scrutiny has just expired, unfortunately. I thank the minister and representatives of TasRail for attending, and the committee. Thank you very much.

We will be back at 2.00 p.m. with the Motor Accidents Insurance Board.

The Committee suspended from 1.00 p.m. to 2.00 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasracing Pty Ltd

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Dr Rosalie Woodruff
Mr Roger Jaensch
Mr Carlo Di Falco

WITNESSES IN ATTENDANCE

Hon. Jane Howlett MP, Minister for Racing

Vince Taskunas
Chief of Staff

Luke Gaetani
Senior Adviser

Tasracing Pty Ltd

Gene Phair
Chairperson

Andrew Jenkins
Chief Executive Officer

Dr Martin Lenz
Chief Veterinary & Animal Welfare Officer

Heidi Lester
Chief Racing Integrity Officer

(Support in the room) - Tasracing Pty Ltd

Dave Manshanden
Chief Operating Officer

Claire Wilemse
Chief People Officer

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Tasracing Pty Ltd

CHAIR - I welcome the minister and staff of Tasracing, along with others at the table. The time for scrutiny is two-and-a-half hours. Members would be familiar with the practice of seeking additional information, which must be agreed to be taken by the minister or the chair of the board, and the questions handed in writing to the secretary.

I invite the minister to introduce any persons at the table, including names and positions, please, for the courtesy of Hansard.

Ms HOWLETT - Thank you so much, Chair. To my left I have Gene Phair, chair; to my right I have Andrew Jenkins, CEO; Heidi Lester, chief racing integrity officer; and Dr Martin Lenz, chief veterinary and animal welfare officer.

CHAIR - Thank you, minister. Would you like to do a short opening statement for us?

Ms HOWLETT - Thank you, Chair. The Tasmanian government is a strong supporter of the Tasmanian racing industry. As shareholder minister for Tasracing I enjoy a strong working relationship with the chair and CEO of the company. It's been a productive 12 months working closely with the company to advance the interest of racing in Tasmania during a period of significant reform.

Page 5 of the Tasracing annual report paints a bright picture for the company when looking at its five-year performance. Wagering turnover, race field fee revenue, code funding, stakes paid and breeding bonuses to industry participants all increased. While Tasracing recorded a loss before tax in the year under review, the reasons for this are clearly outlined in the annual report.

We have delivered on our strong plan for the biggest reforms to the racing industry in decades following the passage of the Racing Regulation Integrity Bill 2024. The company, with the government, understands that Tasmanian racing has now entered a new era where the highest benchmarks of integrity will be the foundation of the industry's future success.

The changes in legislation in February this year are reflected in the makeup of the table at today's hearing. The oversight, function and power of Tasmania's first Racing Integrity Commissioner, Sean Carroll, were activated at the same time and four people were appointed to a new racing integrity committee chaired by highly credentialed legal practitioner, Regina Weiss. The commissioner can set integrity in animal welfare standards and has comprehensive investigative functions across all three codes of racing.

For its part, Tasracing appointed a chief racing integrity officer with significant industry experience, Ms Heidi Lester, here at the table with us today, and the company established an integrity unit which Ms Lester leads. The unit has assumed the responsibility for the former Office of Racing Integrity, which was abolished. In just five months, the team has undertaken 476 stable and kennel inspections, issued 2193 licences and registrations, taken 3653 swab samples and delivered 536 steward actions.

Welfare across all three codes is of critical importance. During the year in review, Tasracing continued to drive initiatives to advance racing animal welfare and veterinary services in the state, in line with changing community expectations.

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Specifically, Tasracing continued to invest in the Greyhound Adoption Program, enhanced industry incentive programs, expanded the Equine Off the Track program, continued to implement recommendations from the Sykes review on animal welfare and delivered training supported to industry participants and owners. A total of 90 greyhounds entered the GAP facility during the year and 101 were adopted.

As you would be aware, the government introduced the Greyhound Racing Legislation Amendment (Phasing Out) Bill 2025 on 6 November 2025. Importantly, work has started on a new racing industry funding deed to ensure the financial sustainability of the Tasmanian racing industry. This is especially vital to provide certainty to the industry following the government's announcement of the phasing out of greyhound racing. Importantly, this is not a review into whether there will be funding. It's a review of what the funding model looks like beyond 2029 for both equine codes.

Meanwhile, Tasracing continues to focus on growing market share -

Mr WINTER - Chair, point of order. We're up to four minutes.

CHAIR - It's 3.27.

Ms HOWLETT - and commercial revenue in the national market.

Mr WINTER - More than three, then.

CHAIR - Opening statement doesn't matter, within reason.

Ms HOWLETT - I'd like to thank Tasracing chairperson, Gene Phair, and his board for their significant contribution over the reporting period. I also acknowledge CEO Andrew Jenkins and his executive team for their commitment across the last 12 months to our reforms regarding integrity and animal welfare, which will be the bedrock on which the Tasmanian racing industry will grow and continue to make a positive contribution to the Tasmanian economy.

CHAIR - Thank you. You will all be shown latitude as well.

Mr WINTER - Thanks, I appreciate it. Minister, thanks for being here and thanks to your team for being here as well.

My first question is to you and is in relation to last week's announcement from New South Wales police that Strike Force Chiel, along with Tasmania Police, had uncovered and arrested three individuals, including two well-known harness racing members, Nathan and Mitch Ford, who had previously been named in the Murrin review. Are you concerned that Tasmania's harness racing has for years been used as part of a national drug syndicate? What are you going to do to ensure the integrity of the code and the industry from this point forward?

Ms HOWLETT - As you are well aware, this is a matter for the police and the courts and it's not appropriate for me to make any comment on it.

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Mr WINTER - Minister, when did you first become aware that Tasmania's harness racing participants were being investigated in relation to drug possession, drug trafficking and dealing with the proceeds of crime?

Ms HOWLETT - I was made aware of the extradition orders. I certainly wasn't aware last week in our Estimates hearing and I was made aware when it was publicly reported.

Mr WINTER - Were you ever told by any participant or anyone else at an earlier date that they suspected Tasmanian harness racing was being used to traffic illicit drugs?

Ms HOWLETT - No, I certainly wasn't aware of that. I don't know if the company would like to add any more to that. As I said, it is inappropriate for me to comment because this is a matter for the police and it's before the courts.

Mr WINTER - It does go to the heart of racing integrity and the viability of racing going forward. At this point in time, we have a major national drug investigation, we have participants who have been arrested, and on top of that, another participant, Olivia Weidenbach, was arrested at Sydney Airport earlier this year and has been disqualified. What is Tasracing and your various integrity bodies response going to be to this to ensure the integrity of Tasmanian racing going forward?

Ms HOWLETT - Integrity is a bedrock of the racing industry. As far as our new legislative reforms are concerned, we need to make sure integrity is our number-one focus. We will certainly not tolerate any form of bad behaviour, whether it's licensed participants, stewards or anyone in the racing industry.

Mr WINTER - You say you won't tolerate that sort of behaviour -

CHAIR - Sorry, Mr Winter, next round. Dr Woodruff.

Dr WOODRUFF - Minister, this is possibly to the CEO. Looking at Tasracing's annual report and looking at the thoroughbred retirement data on page 19, I find the large increase in the number of thoroughbreds that have been euthanised in the last year quite confronting: 46 thoroughbred horses were euthanised, compared to 31 the previous year, and 31 the year before that. That is a 50 per cent increase, which is substantial and very concerning. Can I please get some information about what has caused that steep increase?

Ms HOWLETT - Certainly, and I thank the member for her question. I will hand over to Andrew or to Dr Lenz to speak further to that.

Mr JENKINS - Thank you, minister, through you. If I might make a preliminary observation and then I will ask Dr Lenz to comment in further detail. I agree with the trend note that you make, as regards comparison of 2023 financial year, 2024 and then into 2025, the reporting period in question. There has been an increase in thoroughbreds euthanised, though I do note that in the 2021 financial year there was a number of 43. I suggest that there's not a significant trend here that is an increase toward those numbers of horses being euthanised. I will perhaps ask Dr Lenz.

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Dr WOODRUFF - It looks like it was very bad in 2021 and then it dropped to 23 in 2021-22, 31 in 2022-23 and 31 again, which looked like it was a sustained reduction and now there's been a 50 per cent increase again. What do you think's going on?

Mr JENKINS - Sure. As I say, I wouldn't suggest that there's a trend there. Yes, I acknowledge that during the reporting period there was an increase in thoroughbreds euthanised, but again, if I can defer to my colleague who may wish to add some further detail.

Dr LENZ - Thank you, and through the Chair. While on paper it may look like a figure that stands out, statistically speaking, we're looking at a five-year period; we've had other years with similar numbers. It's not a trend, as such, but it is something we're obviously always keeping an eye on and are aware of.

Dr WOODRUFF - Through you, minister. I'm not talking about statistics. I'm talking about horses - 46 horses. If you put 46 horses in this room, it is an astoundingly large number of horses that are being euthanised. Again, I asked the question why? Why have so many horses been euthanised? Is it as a result of on track injuries? Is it because they can't be rehomed? Why?

Ms HOWLETT - Thank you, Dr Lenz.

Dr LENZ - Through you, minister. It is something we can break down further as far as the reasons for the mortalities in those 46 cases. It is data that is available and we can take that on notice.

Dr WOODRUFF - Through you, minister, I'd like that information now. Surely you would come to this committee, after such large figures, with that knowledge. I question why it's not available now to have a conversation about what's going on.

Dr LENZ - We're happy to take that -

Dr WOODRUFF - What are the reasons that 46 horses are euthanised, and who has the oversight?

CHAIR - Dr Woodruff, it's been asked and answered.

Dr WOODRUFF - Well, is that going to be taken on notice, or answered now at the table? Minister, what do you think?

Ms HOWLETT - Would you mind if we take that on notice, Dr Woodruff?

Dr WOODRUFF - Okay, the question is, what are all the causes for the euthanasia that has happened and what is the reason for the increase between last year and this year?

CHAIR - Just remember, we need that in writing to the secretary.

Ms HOWLETT - Yes, thank you.

Ms JOHNSTON - Following on from Mr Winter's questions on integrity, particularly the harness racing question, through to the CEO, minister if I may. I have asked, I think, year on year at these hearings about the awards that are presented, or reported at least, in the annual

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report and raised concerns about the appropriateness, particularly of the lead trainer awards for all codes at various points. I'm particularly concerned this financial year, with the harness award winner for lead trainer Wayne Yole, and in particular for the lead female driver, Tiarna Ford. Each time I've asked those questions about the appropriateness of people receiving awards when they have, undoubtedly, brought the industry into disrepute, you've told us that there's nothing you can do, it's a policy to provide it to the person who's won the most races or had the most winners. Yet, your policy on your website when it comes to harness awards clearly states under rules 3.3, 3.4, 3.5 and 3.6 that you don't have to provide these awards to them.

Why do they continue to win awards when clearly, and particularly in the harness racing circumstances last financial year, these two individuals have brought the industry into significant disrepute and, in fact, have been suspended in some cases?

Ms HOWLETT - If I might add a few comments first. Probity, integrity and animal welfare are critically important to the racing industry and, as we know, they underpin the confidence.

Public awards and recognition have a really important role to play, and I've written to Tasracing to ask for a review of the award criteria, which at present are based only on a number of winners across the season, and to reflect the hard work both the Tasmanian government and Tasracing are doing to rebuild trust and restore faith across the codes in all areas, including integrity and compliance. I've requested that Tasracing undertake a review of the annual awards given to participants, owners and trainers across the codes. The review requested that the award criteria meet current-day expectations and standards of the racing industry and work has commenced. I will hand over to the CEO to -

Ms JOHNSTON - Thank you minister. I appreciate that you've done that, because your predecessors failed to do that. So thank you for doing that.

Mr JENKINS - Thank you, minister. Tasracing has indeed undertaken a review of a number of award categories. If we haven't done so already, minister, we will be formally confirming that with your office, based on your instruction for review. So, Ms Johnston, there is a change that will be implemented imminently.

If I may make the point that the eligibility for an award is related to a point in time. During the award eligibility period - it would not be reasonable to hold back an award if a licenced person was licenced and held that licence under the rules during that period of time. Of course, if any discretion occurs, a disqualification, suspension of licence, then Tasracing has the ability to apply appropriate discretion in withholding an award. We agree in principle with what you're querying.

Ms JOHNSTON - Again, Mr Yole back in March was reported and was suspended and was disqualified at that particular time. When were these awards issued?

I note that 3.5 gives you the ability to revoke any award that's been given previously for seasons, and 3.6 simply says:

Any Trainer or Driver who, in the opinion of Tasracing, conducted themselves in a manner which has undermined the integrity, or reputation, or public image of Tasracing or racing generally is ineligible to win any award.

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Now in what world could you possibly say that that doesn't apply to Mr Yole?

Mr JENKINS - Mr Yole was a licenced person who was eligible to receive the award.

Ms JOHNSTON - He hasn't brought the industry into disrepute? The Yoles and the Fords have not brought -

Mr JENKINS - It's not for me to make a subjective comment on. I'm simply saying that under the rules, Mr Yole was licenced during the eligibility period when the award is issued, and he received the award.

Ms JOHNSTON - What's the eligibility period, then?

CHAIR - Through the minister, please, Ms Johnston.

Ms JOHNSTON - Sorry, Chair. Minister, through you, to the CEO. What's the eligibility period? What's the period?

Mr JENKINS - It's a racing season and the seasons vary across the three codes.

Ms HOWLETT - But that review is underway.

Ms JOHNSTON - I appreciate that minister.

Mr JAENSCH - Can you confirm that the Tasmanian government will continue to support the equine codes in Tasmania, and provide an update on a new funding deed for racing in Tasmania?

Ms HOWLETT - That's a really important question. I've been clear on my support for the broader racing industry, Tasracing, its participants and our regional communities, as has the Premier. The government will develop, along with Tasracing and industry, a unified strategy to grow racing audiences and revenues across the equine codes.

Work has started on a project to assess options for the new racing industry funding deed, to ensure the financial sustainability of the Tasmanian racing industry. It's being conducted by a working group overseen by the Department of Treasury and Finance and the Department of NRE. Importantly, this is not a review into whether there will be a funding deed; it's a review of what the funding model looks like beyond 2029 for both equine codes. It's especially important to provide certainty to the industry following the government's announcement of the phase out of greyhound racing.

This measured timeframe coincides with the expiration of the current funding deed, providing an opportunity to deliver a measured transition that focuses on funding requirements of the thoroughbred and harness codes, to ensure Tasmanian racing can thrive in the future.

I acknowledge the company's comments last week recognising the work I've done to consistently advocate for the industry in this area following the government's announcement on the funding deed project last week. As I said, the existing deed is for a term of 20 years ending on 30 June 2029 and the government will continue to honour this deed. That is reflected in the interim Budget across the forward Estimates. I'm working very closely with the Treasurer

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as the other shareholder minister in Tasracing to ensure the future and growth of racing in Tasmania.

We're getting on with the job and this project to assess options for the next deed has commenced and Tasracing will be a part of this very important work. It's a complex process and we will work through this together, but we remain absolutely committed to supporting our wider racing industry and its participants. I will ask the chair or CEO if they'd like to add any additional comments.

Mr JENKINS - Thank you, minister.

CHAIR - You only have about 30 seconds.

Mr JENKINS - Noted, with thanks. Tasracing was very pleased to have the government's continued support confirmed recently. As the minister has stated, via the review being undertaken by the Department of Treasury and NRE, we look forward to being engaged in that process and making our own contribution to work toward a funding model beyond 2029 that provides certainty and consistency in the ability for the racing industry to work towards a point where it is deriving an increasing level of its own commercial revenue, as opposed to being reliant on government funding as a result of the government of the day selling TOTE Tasmania back in 2009. We welcome the government and the minister's support.

Mr WINTER - Minister, I want to take it back to harness racing and I might ask Mr Phair. Mr Phair, was Tasracing, either to your knowledge or the commissioner's, ever given information that members of the Ford or Langley stables were allegedly using harness racing to traffic drugs in and out of the state prior to the arrests and, if so, when?

Mr PHAIR - I'm unaware and I can't speak on behalf of ORI or the commissioner, but certainly from a Tasracing board point of view, we were never made aware of any accusations in that regard.

Mr WINTER - At a management level, was anything ever reported?

Mr PHAIR - Never reported to the board, no.

Mr WINTER - I can't ask the CEO directly, that's why.

Mr PHAIR - Okay, I can pass the question on, but there was nothing mentioned by management to the board at all about any of those accusations.

Mr WINTER - Minister, the Murrphy review found that Mitch and Nathan Ford had participated in team driving and race fixing. Do you consider it a failure of your integrity bodies that Mitch Ford was still racing as of last week?

Ms HOWLETT - What I can say is integrity is paramount. We have lifted the bar higher and it is our intention to make sure for the future of the racing industry and the codes that integrity is absolutely paramount moving forward. I will certainly not be speculating on anything that is a police matter or before the courts. I note that Standing Order 141, proceedings of committees, provides that no reference shall be made to any proceedings of a committee or

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the whole House, or any committee, until the same have been reported to the House, unless the House at the time of the appointment of the Chair shall otherwise direct.

Mr WINTER - Minister, you've said that integrity is paramount to the industry, and I wholeheartedly agree, but in this case we have had huge evidence. We've had an independent review done by Ray Murrilhy that outlined and found that these two gentlemen had been involved in race fixing and team driving, yet one of them was still participating as of a few weeks ago. What does that say about integrity under this government that this was able to continue, even whilst they were under investigation for drug trafficking, we think? They had been accused and found to have participated in team driving and race fixing. What does it say about integrity if at least one of those individuals was able to continue to participate?

Ms HOWLETT - What it says is, since our new reforms have been introduced, we have Heidi Lester at the table here and our independent racing integrity commissioner. We are taking this incredibly seriously and that is why we made significant legislative reforms - the biggest reforms in decades, Mr Winter. I might ask Ms Lester if she would like to speak about integrity and what we are doing moving forward.

Ms LESTER - Thank you, minister. The Tasracing Integrity Unit is now approximately 10 months old, being established on 1 February, so it's unrecognisable to what the previous Office of Racing Integrity was. As part of that renewed Integrity Unit, a lot of old staff have moved on and we've got some great new staff come in.

With regard to harness racing, we have recently appointed an extremely experienced chief steward, Mr Trevor Styles, who has come across from the mainland. He's very well regarded and one of those great old-fashioned stewards who will make his mark, hold all participants to account, and will be a great benefit to our unit going forward.

With regard to the races in the Murrilhy report, my understanding is that was investigated prior to my start and has been dealt with. What I can say again is Mr Trevor Styles, with his vast experience, will be reviewing every single harness race to the nth degree and holding any participant to account with those.

Mr WINTER - Minister, in those last -

CHAIR - That's three, Dean. Dr Woodruff.

Dr WOODRUFF - Thank you, Chair. Coming back to the information that's provided about horses, both standardbreds and thoroughbreds, the Tasracing annual report lists thoroughbred and harness racing retirement and breeding data, but for greyhounds, injuries and breeding data are provided. Will Tasracing commit to providing information in the annual report about injuries and the breeding data that's not there, the same as is done for both codes, and the greyhound racing code?

Ms HOWLETT - Thank you, Dr Woodruff. I'll ask the CEO to speak to that as far as providing additional data.

Mr JENKINS - Thank you, minister. The question would appear a reasonable one from the point of view of having consistency across the three codes of racing. I'm not in a position to make a commitment across the table but I would be very willing and comfortable to work

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through a process with Dr Lenz and Ms Lester around the information we have available to us and provide further information around injuries. I might ask Dr Lenz to comment further around our efforts in relation to traceability and injuries.

Dr WOODRUFF - Thanks.

Dr LENZ - As the CEO has mentioned, there is no impediment to more data being recorded. I will draw the committee's eye to the fact that there is a difference between the greyhound code and the way injuries are recorded by stand-down times, versus the two horse codes where injuries are reported in stewards' reports. When I say injuries, I mean 'incidents' are reported in stewards' reports. Those animals then are generally returned to their stables where they are part of the stables management, including their private veterinarians.

There is limited information that we are able to obtain from those private veterinarians; it's basically a privacy issue. What we do have is data that relates to when those horses return to racing, so the interval between a race with an incident where there may have been an injury, and that return to racing interval, until the horse turns up at the next racecourse.

We have, under the rules, also an obligation on our participants in both horse codes to provide information to the stewards on any incidents or injuries that have occurred either prior leading into the race, or during the race, which may have affected the outcome of that race. That is something that, once again, feeds back into the next stewards' report.

But there is a difference. In the greyhound code, we have vets who look at animals. If the stewards request an examination, for example, if that detects a problem then a standdown time is recorded. That's quite unique to the greyhound code. The standdown time is taken as an indicator of the seriousness of an injury, but it is an indirect indicator, if you understand, because once again, there is a limitation to how much information is available to the on-course vet on that injury. Further information would be obtained by a subsequent follow-up examination from the trainer's private vet, which we don't have access to.

Dr WOODRUFF - Thank you, Dr Lenz. It sounds like, through you, minister, that there's a couple of mechanisms that you could look at providing information in the next annual report:

- the pre-information injury data that's provided to the stewards;
- the incident data that comes after a race, which may or may not include information about injuries; and
- there's also information that would come after the period of time where the horse does not come back to race, or the period of time for the horse coming back to race.

Do I need to write that on notice, that you will investigate that and provide some information back?

Dr LENZ - Just to clarify, through you, Chair, as well, information is already publicly provided in follow-up stewards' reports - you know, if the trainer complies with that rule that makes them have to advise the stewards of any issue that occurred. So, that's already provided in subsequent versions of the stewards' report.

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Dr WOODRUFF - It's not here in the annual report.

Dr LENZ - No, it's not, but it is publicly available, because obviously all the stewards' reports are published online.

Dr WOODRUFF - Okay, thank you. Minister, is there a commitment, then, that there will be some compilation of information provided in the annual report about injuries, and there'll be obviously a discussion about what's possible or not possible?

Ms HOWLETT - Thank you, Dr Woodruff. I know the Chair would like to add some further comments.

Mr PHAIR - Thank you, minister, and thank you for the question. We made a commitment a number of years ago to be very transparent about injuries and deaths and so on. I draw your attention to page 16 of the annual report, which details quite comprehensively the list of injuries and retirement data for greyhounds.

Dr WOODRUFF - That's my point. That's exactly my point. Can we have the same information for standardbred and thoroughbred horses? You're exactly right. That's what everyone wants to know. Can we have the same information, please, for the two horse codes?

Ms HOWLETT - I don't think there would be an issue with that.

Mr JENKINS - Very happy to investigate and provide all the information we can gather, yes.

Dr WOODRUFF - Great. My other question following that, minister, is, why do horse trainers and owners not provide that information? Why is there a different collection of that information between greyhounds and harness racing and thoroughbred racing?

Ms HOWLETT - Thank you, Dr Woodruff, I will get Dr Lenz to provide some further information to your question.

Dr LENZ - Thank you, minister, and through you, Chair. Yes, it is a legacy of how the systems and the data recording systems were set up, how the rules are set up. There are distinct differences. As I said, in that table that our chair mentioned on page 16, there's a great example - greyhound injuries are grouped by standdown time, which is an approximation of seriousness of injury. We don't have that sort of grading system in horses.

Dr WOODRUFF - That could have it.

Dr LENZ - It's something that depends heavily on the IT infrastructure, so the recording programs. In thoroughbreds, there's a system called Single National System (SNS), and it will record any data on injuries that are detected on race day. But because the true extent of an injury may not become apparent till after the race, there is that obligation on trainers to inform the stewards of those findings, but we don't have direct access to the veterinary information from those private veterinary practitioners.

Dr WOODRUFF - Okay, it doesn't really make sense why you wouldn't.

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CHAIR - Dr Woodruff, next time.

Dr WOODRUFF - Just building the social licence on having that information is a good idea.

CHAIR - Can I clarify, are you taking on notice, minister, Dr Woodruff's request for information?

Mr JAENSCH - Chair, I think I can assist. I think it's not a question on notice, in that it's not going to be something which is going to be followed up directly to the committee. It's an undertaking regarding future annual reports - is that right?

Dr WOODRUFF - That's pretty much right, yes.

CHAIR - Okay.

Dr LENZ - Where the data's available.

Dr WOODRUFF - That's my understanding that there's a commitment to provide information in the next annual report and how that will look.

Dr LENZ - Where available, yes.

Mr Di FALCO - Just a quick point. I will state clearly for the record, I oppose the greyhound racing ban. Through you, minister, could the Chair or CEO tell us about their interaction with the passionate owners and trainers of greyhounds racing since the ban was announced?

Ms HOWLETT - Thank you. The CEO would be best to add detail to your question.

Mr JENKINS - Certainly, minister, and through you, Chair. Post the government's policy announcement of phasing out greyhounds, Tasracing immediately undertook a comprehensive communication program with our greyhound participants to make them aware directly of the proposed policy, in addition to the announcement and media and so forth that the government had undertaken. I spent probably the subsequent 48 hours with the phone glued to my ear, talking one-on-one with as many greyhound participants as I could. I personally attended the three programmed greyhound meetings on the Monday night, Tuesday and Thursday night in the subsequent week, just to have a presence and share as much information as I could.

We continue to provide regular updates to our greyhound participants, including offers of support, given it's a very difficult position that they are placed in. We've offered access to our employee assistance program. As I say, we're providing regular updates of information as we have material matters to share with them, including making sure that they have direct access to the draft of the bill that has now been tabled and the associated fact sheet.

Indeed, only this week my team and I have convened informal Q&A sessions: Monday night at Mowbray's race meeting after kennelling closed, and we will do the same again tomorrow night.

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I don't necessarily have a lot more information that can be shared with our greyhound participants, but we feel it's particularly important to be visible and feel that they have a voice and can communicate with us as the principal racing authority. We will continue to act in that manner, Mr Di Falco.

We acknowledge that this is an extremely difficult time for greyhound participants, many of whom have known nothing else through their life and through multiple generations, in fact, in some cases. We will do all that we can to help them through the process of phase out into mid-2029.

Ms JOHNSTON - Minister, I think the chair or the CEO go to the awards for greyhound racing, mentioned in their annual report. I note that the greyhound of the year was Raider's Guide. As horrific and tragic as that dog's death was, maybe its legacy was the ending of greyhound racing because it was so horrific and so prominent. The lead trainer of this dog was Anthony Bullock, someone who has brought the industry into significant disrepute over a number of years and has had concerns raised about his conduct, including not having a kennelling licence for many years, failing to have a planning permit, and inappropriate council planning permits in relation to his kennel facilities in West Tamar.

Has Tasracing sought assurances from Mr Bullock that he now has and is compliant with his planning permit and conditions, including in relation to slaughtering of animals on his property, odour issues and the disposal of dog waste?

Ms HOWLETT - Thank you. Before the CEO speaks, I want to advise that Mr Anthony Bullock was disqualified from the greyhound racing industry and a successful appeal against this penalty enabled Mr Bullock to return to the industry as a licenced participant. Mr Bullock exercised his rights of appeal through the Tasmanian Racing Appeals Board, with the result that it was upheld. Would you like to speak more to that?

Mr JENKINS - Thanks, minister. I don't concur with the assertion that Mr Bullock has brought the industry into disrepute. If we reflect upon some of the matters to which you may be referring we're going back a handful of years ago now, where ultimately it was found that Mr Bullock's worst offence was giving analgesics to a greyhound that wasn't prescribed for that greyhound while it was in pain. So on that matter, I don't think there's anything to answer there. As the minister has quite correctly stated, Mr Bullock was found not guilty of relevant charges for which he was periodically disqualified.

In terms of the council matters, they're exactly that, Ms Johnston; that's a matter for the council.

Ms JOHNSTON - It's a requirement of his trainer's licence to be compliant with council regulations.

CHAIR - Ms Johnston, please.

Ms HOWLETT - I believe he does have a kennel licence.

Mr JENKINS - I can't confirm that. That's a matter to be confirmed with the council. In terms of the award itself, as per the previous answer, Mr Bullock was eligible at the time the award was given.

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Mr JAENSCH - Minister, Tasmanian racing clubs are important community assets. Could you please outline capital expenditure upgrades that the company has made this financial year and how does this investment compare to previous periods?

Ms HOWLETT - I thank the member for the question. As you correctly state, upgrading racing infrastructure provides important spaces for the community to meet and engage with our great racing product as well as ensuring our tracks and facilities remain safe for participants.

Capital expenditure payments during 2024-25 totalled \$6.66 million, up from \$6.43 million in the previous reporting period. Major items included the new kennel blocks at the GAP facility at Mangalore, which will be open soon and will effectively double the capacity at GAP.

On 1 October last year I was pleased to open the Devonport Racing Club's new race day building, which is three times the size of the original building and features dedicated equal spaces for female jockeys in the new jockey room. Of the \$2.8 million total project value, \$1.5 million was provided by the state government, with the balance funded by Tasracing from cash reserves. The Tasracing annual report also details key investment in these important infrastructure upgrades.

There is also the Tapeta synthetic upgrade at Spreyton; manure and sawdust pits at Brighton; a viewing deck at Spreyton; horse stalls at Longford; synthetic equine crossing at Elwick; running rail at Spreyton; Brighton stable works; Longford sand track drainage as well as irrigation; Spreyton stable works; Mowbray entrance works; owner's meeting yard at Elwick; greyhound roads and car park at Mowbray; light upgrades at Mowbray; Elwick 600-metre tower stabilisation; signage at Longford; CCTV upgrades statewide; membership big screen at Mowbray; and fire hose reels at Elwick.

While some of these investments may seem minor, they're a part of an overall program of works to ensure that the assets of the company continue to reflect the needs of racing participants. Andrew, I am not sure if you would like to add any further comments.

CHAIR - You have about 30 seconds.

Mr JENKINS - I am pretty well covered there.

Ms HOWLETT - I think you've done a very good job.

Mr JENKINS - Thank you, minister.

Mr WINTER - My question is to Mr Phair. When did you and the CEO find out about the shutdown of greyhound racing and who told you? Can you explain the circumstance of how you found out about this policy change?

Mr PHAIR - Absolutely. I received a phone call from the minister on the Saturday afternoon prior to the announcement by the Premier on the Sunday.

Mr WINTER - And the CEO?

Mr PHAIR - The CEO could answer that question.

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Mr JENKINS - Same. I think it was around 3.15 p.m. on what would have been Saturday 9 August.

Mr WINTER - Mr Phair, the question that racing industry participants keep asking me - and I've tried to get the answer from the minister and haven't been able to get it - is why is greyhound racing being shut down? We've heard a pretty passionate defence of the greyhound industry already from the CEO, Mr Jenkins, and in previous times we've heard Tasracing really stand up and defend greyhound racing. What's been the rationale that Tasracing's been able to receive for why greyhound racing has been shut down?

Mr PHAIR - It's a policy decision from the government, our shareholder ministers. That's a question for the government, not for Tasracing. We've been asked to play our role in the transition of the cessation of greyhound racing and are providing that role as part of the transition group being run by the Tasmanian Racing Integrity Commissioner.

Mr WINTER - Minister, unless it hasn't come through, Tasracing doesn't have a reason as to why you made this policy decision, they're just acting on it. In February last year you issued Tasracing with the Ministerial Statement of Expectations, the purpose of which was to develop and maintain a competitive and sustainable racing industry in Tasmania for all codes of racing, and to uphold high levels of integrity, safety and animal welfare. One of the strategic directives is to support and promote the racing industry in Tasmania. So isn't Tasracing now in breach of your own statement by progressing with your policy to shut down greyhound racing?

Ms HOWLETT - We have been through the timeline many times before under hearings and in the House of Assembly. As you are well aware, the Premier made the decision. It was discussed with me before the announcement -

Mr WINTER - Sorry to interrupt, but I didn't ask you about that, minister. I'm asking about the statement of expectations you had given to Tasracing that directs them to support and promote racing. How is it that, on the one hand, you have given Tasracing this statement of expectations telling them they need to support and promote racing, and on the other hand you've directed them to shut down more than a third of it? How are those two things consistent with one another?

Ms HOWLETT - The policy decision has changed, as you are well aware. It's you who took us to an election, Mr Winter, in a thirsty grab for power, which didn't work out too well for you.

Mr WINTER - Minister, part of the general expectations you included was that Tasracing proactively engage with stakeholders as something Tasracing must do. Don't you think that's a bit hypocritical, given that you didn't engage with any stakeholders in the greyhound code before you decided to take away their industry, their livelihoods, their life, their family, everything that they've grown, known and loved for so many years?

Ms HOWLETT - You know I have had multiple generations in the greyhound racing code and I know how challenging it is for participants in the industry. The policy has been made. We are getting on with the job. We have introduced the legislation -

Mr WINTER - Why is that a job you need to do?

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CHAIR - Mr Winter, please.

Ms HOWLETT - We have introduced the legislation into parliament, we have tabled the bill and we're getting on with the job, Mr Winter.

Mr WINTER - Will you be changing the statement of expectations given that it's now impossible for them to deliver on it?

CHAIR - Mr Winter, Dr Woodruff has the call.

Dr WOODRUFF - Thank you, Chair. Minister, at the Estimates scrutiny committee last year, we talked about the local rules of racing for greyhounds and the fact that they mandate that greyhounds should be rehomed and not killed unless approved by Tasracing. That's not the situation for horses. I spoke to you about it then and you said that is a matter for Tasracing under the local rules of racing to consider making a change in Tasmania to the local rules.

At the moment, what we have from last year's data is that 46 thoroughbreds were euthanised and 228 were rehomed, and 16 standardbred harness racing horses were euthanised and 84 were rehomed. Through you, maybe to the chair or the CEO, why aren't we looking at having the same rule for all codes in Tasmania in relation to rehoming? Can we do that? I mean, we can do it. Will you do it?

Ms HOWLETT - Thank you, Dr Woodruff. In October last year we released a code of practice for the welfare of racehorses. At the time, Tasmania was, and is at present, one of the few states in Australia to possess such a code. Since its introduction, animal welfare standards and community expectations have continued to be raised in the media and the parliament. I will ask Dr Lenz to speak to the code of practice in relation to the welfare of racehorses in both equine codes.

Dr WOODRUFF - In relation to the issue of rehoming in particular?

Ms HOWLETT - Yes.

Dr LENZ - On the issue of rehoming of horses, we have a broad-spectrum approach to that. Once again, I draw the committee's eye to the fact that there are differences between greyhounds and racehorses in the ability to provide for the welfare of those animals because they are quite different in their needs and in size.

There are, however, some clear guidelines in the code of practice, as mentioned by the minister, as far as owners of those racehorses making provision for their eventual retirement and transition into another discipline where that is possible. That is something we've advocated for, certainly in the time that I've been here. We actively support that through financial initiatives that we run, where we basically market those off-the-track horses to the equestrian community as desirable animals to take on.

It is something that, as I said, there is a difference. You can certainly accommodate greyhounds in many a home. You do need quite some different facilities to adequately house a horse. What we don't want to see happen is horses ending up in a home situation where their needs aren't being met because of those differences.

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Dr WOODRUFF - Thank you. I think your comments are instructive and they provide a view that I think many in the community are not comfortable about; that we treat sentient beings like animals, like greyhounds and horses, differently because of the cost and the difficulty of caring for them for their life. They are used for profit-making, but once their time is finished and their job of making profit is finished, there isn't a 100 per cent commitment to caring for that animal for the rest of their life. Instead, as we've seen, we saw on the 7.30 expose about five years ago, nationwide, horrific images of animals being sent to abattoirs -

CHAIR - Dr Woodruff, you have about seven seconds to ask a question.

Dr WOODRUFF - Well, the question is, how does Tasracing expect Tasmanians to continue to feel okay about the fact there's such a high number of horses being euthanised and there isn't a commitment to caring for them at the end of their racing life? Will you look at that issue and come back and report to the minister or to parliament?

Mr JENKINS - First, I don't agree with the assertion that it's a high number of horses that are being euthanised. Ideally, we would like the number to reduce. What I would say is that, as per Dr Lenz's comments, Dr Woodruff, Tasracing is investing heavily in programs that promote the active rehoming of horses wherever that is suitable. We will continue to do so, whether it's through the Off the Track program, whether it's through private rehoming facilities or whether it's through accredited re-homers. However, there are some horses that are simply not going to be suitable to be rehomed post their racing career. There are some horses, not standard breeds or thoroughbreds, that, once they reach adulthood or even sooner, are simply not suitable to be rehomed. There's never going to be a circumstance where we can say that every single racing equine athlete that is bred is going to be rehomed -

Dr WOODRUFF - That is true.

Mr JENKINS - it's not reality.

Dr WOODRUFF - That is true, and that is the case with greyhounds, but the greyhound local rules of racing mandate that rehoming occurs.

CHAIR - Dr Woodruff, please let -

Dr WOODRUFF - Well, this is just to clarify - and Tasracing can approve the killing of a greyhound if that cannot occur. Why wouldn't we have the same thing for horses, where there's still, if you say, an argument for cases, but why wouldn't there be a mandated requirement to rehome with Tasracing having the ability?

CHAIR - Dr Woodruff, the CEO -

Dr WOODRUFF - Can we just get the answer to that?

CHAIR - The CEO was answering your question.

Mr JENKINS - I suggest that Dr Lenz has answered exactly that question. I don't have anything to add to that.

Dr WOODRUFF - You haven't, you just avoided it.

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Mr JENKINS - I can't add anything because he's answered it. I haven't avoided it. The question has been answered.

Dr WOODRUFF - You could do the same thing for dogs as for horses.

CHAIR - We will not be crossing over with banter across the table, please.

Ms JOHNSTON - If I can go, minister, through you to the Chair or CEO, to the greyhound adoption program, known as Greyhounds As Pets. They make the best pets, the most snuggliest little bugs you've ever met, and I hope that everyone can adopt a greyhound soon, which would be fantastic. Can I get some data on the actual expenditure for the GAP program? I think last year we managed to do it under data of how much it cost per dog to rehome. I note that there were 101 dogs adopted the 2024-25 period. Do we have the data around how much funding was provided to GAP as a program, please?

Ms HOWLETT - Dr Lenz has the oversight of the GAP program, so I will ask Dr Lenz to speak to that. As we know, the GAP program is a key welfare initiative for the greyhound racing industry that facilitates the rehoming of retired greyhounds and promotes greyhound ownership in the community. The government and Tasracing are committed to increasing the number of greyhounds that are rehomed responsibly, while also reducing - and this is really important - reducing the time taken to achieving rehoming.

A review of the GAP program by Tasracing senior management and the Chief Veterinary and Animal Welfare Officer identified a need to make strategic and operational changes to the program. This has seen more greyhounds rehomed in shorter timeframes, which I'm really pleased about. Dr Lenz, would you like to add any further comments?

Dr LENZ - Yes, thank you. Through you, minister and Chair. I believe it is a sizeable sum and we are just getting the exact quantum for you.

Ms JOHNSTON - Would you like me to put that on notice, or are you able to get that during the hearing?

Dr LENZ - We should be able to get that.

Ms HOWLETT - We will try to get that before the end of the hearing.

Ms JOHNSTON - Beautiful, thank you. Perhaps whilst looking for that, you might be able to answer my next question. It's in relation to the greyhound retirement preparation scheme. I understand that dogs coming into the GAP program need to be desexed and have their dental work all up to date before they enter into the program, but this scheme is for those owners and trainers before they either put their dog up for adoption through GAP program or through another means - hopefully not through Gumtree - but, through Dogs' Home or RSPCA or other approved organisation. It has for desexing, dental treatment and vaccination an amount of \$154,332. Can you break provide a breakdown of how many desexings there were? How many dental treatments and vaccinations in the funding breakdown between that and the number of dogs that received?

Dr LENZ - That's for the last financial year?

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Ms JOHNSTON - Yes.

Dr LENZ - Give me two seconds, but we have that data. You wanted the number of dogs in the scheme total was - 361. The number of dogs total desexed - 351. Average cost to desex was - \$679. There were 95 dogs receive dental treatment at a total cost of \$37,121. There were 85 dogs vaccinated under the scheme at a total cost of that was \$6,351.

As you rightly stated, the total cost for the program for the financial year was \$154,332. To give the committee an overview, that not only benefits dogs that go into the Greyhound Adoption Program, but it also benefits any other dog that is adopted either straight out from industry to the public or via one of the ancillary re-homers that we have: Dogs Home of Tasmania and the RSPCA Tasmania. The benefit per dog is up to \$1,100, so it's a significant amount.

Ms JOHNSTON - So that's 361 dogs receiving that funding. Do you have data on the dogs exiting the industry? Obviously, 101 have gone through the adoption program. The other 260, do you have the data of where they have gone.

Ms HOWLETT - As in whether they've gone to RSPCA or the Dogs Home.

Ms JOHNSTON - RSPCA, the Dogs Home, privately, because they need to be desexed before they leave.

Dr LENZ - Yes, we will have. The total of dogs was rehomed - 193. Of those, 101 were through the GAP and total retired were 270. There were some from previous years because the number that went through the Greyhound Retirement Preparation Scheme is obviously higher. It's from the annual report.

Ms JOHNSTON - Two hundred and seventy are retired and not rehomed.

Mr JAENSCH - Minister, the Tasracing annual report outlines financial information and data for the year ending 30 June 2025. Is there any longer-term data you can share about growth in the Tasmanian racing industry and trends in the health of the sector?

Ms HOWLETT - The government is delivering for Tasmania and we're proud to support the state's racing community. I'm proud to be able to inform the committee that for the period 1 July 2020 to 30 June 2025, the five-year growth in key commercial and performance metrics, including wagering turnover of \$234.8 million, is up by

- 49 per cent across the period highlighting demand and engagement in our racing product
- a 76 per cent increase in race field fee revenue demonstrating the increase owned source revenue capacity of the company
- \$16.5 million invested in code funding, which is up 77 per cent from the same period five years ago, highlighting support for participants
- stake money paid is up 81 per cent across the last five years, providing returns and confidence to those who invest in our industry, allowing this money to be reinvested in all parts of our economy.

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Mr WINTER - Breeding bonuses. That's next on the list, it's in the annual report.

Ms HOWLETT - Breeding bonuses up 48 per cent, recognising that a healthy racing industry requires a strong and vibrant breeding industry and that the Tasmanian breeding industry supports job creation and economic activity, particularly across regional areas in Tasmania. Over the last five years the company and the government have invested over \$23.4 million into capital expenditure in racing infrastructure. The government has returned over \$7.3 million in point-of-consumption tax funding, supporting an investment of more than \$1 million to support animal welfare initiatives each year. The company may wish to add some more information, as well.

CHAIR - You have about a minute, just so you know.

Mr JENKINS - Thank you, Chair. I would add that from a racing and programming perspective that the Tasracing team is working hard to maintain its contemporary nature in an ever-expanding and changing wagering and racing environment, not only within Tasmania, but domestically and, indeed, internationally.

We recently introduced some brand, new races that are proving extremely popular, not only from a wagering perspective, but with our communities, our owners, and our participants all across the state, including the regions. To name just three of those races: the Circular Head Cup, which is run at Burnie; the Ladbrokes Community Sporting Series, which is run on all three of our thoroughbred cup days across the state; and the Beautide, which has been run the last three years here in Hobart. It's incumbent upon us to maintain that contemporary basis of our product and we will continue to undertake that approach.

Mr WINTER - Mr Phair, I want to make 100 per cent sure of your answer. When the minister rang you in August to tell you that greyhound racing was being shut down, she did not tell you a reason why greyhound racing was being shut down? She just told you it was being shut down. There was no reason given and that was the end of the conversation?

Mr PHAIR - The conversation was exactly that, Mr Winter. We discussed that the minister was advising us that it was going to be announced the next day that greyhound racing was going to - well, announcements for the cessation of greyhound racing - there were other people that the minister needed to call to let them know. The CEO was directly after me. At the time, there was no reason, other than being a policy decision of the government at the time.

Mr WINTER - Thanks. Minister, on 2 July, racing participants received the following text message:

Tasracing is pleased to advise that TasInsure - a Tasmanian insurer that will be established by a Liberal government if re-elected - will provide workers' compensation insurance amongst its products that is expected to be applicable subject to eligibility for racing industry participants. While Tasracing appreciates that this mostly affects the thoroughbred code, we felt it appropriate to write to the industry as a whole about this initiative. We will continue to keep you updated on developments as they relate to the 2 July insurance announcement but believe it is a positive development that could assist participants with business operating costs.

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Were you aware that that text message was going out, and did you have any engagement with Tasracing on that text message?

Ms HOWLETT - I don't believe I had any engagement with Tasracing in relation to that text message going out.

Mr WINTER - My question, then, to the Chair is about the text message that went out with the party-political message, including the advocacy for a policy by the Liberal Party. What was the process that went through in order for that text message to go out? I believe there was also social media and a post on the Tasracing website. Did that adhere to Tasracing policies?

Mr PHAIR - There is no policy from Tasracing that we would do anything from a political nature. That is an operational text message that was sent out. I didn't send it out myself. I can defer to the CEO to answer the process on which that text message was sent out.

Mr JENKINS - Thanks chair, minister, and Chair. Thank you, Mr Winter. Ultimately, the decision to send the SMS that you're referring to resides with me. It was in no way intended as a political statement or endorsement. We felt that it was appropriate to ensure that our thoroughbred trainers in particular were aware of a possibility - given the nature of their small business operations for many of those trainers - of a potential new insurance solution, given the significant escalation in workers compensation costs that thoroughbred trainers have been facing over recent years. Again, it was not intended in any way to be partisan. It was intended to share information that we felt was relevant with our participants, Mr Winter.

Mr WINTER - Minister, I mean, the text message is partisan. It says:

TacRacing is pleased to advise that TasInsure, a Tasmanian insurer, will be established by a Liberal government if re-elected.

Do you think it's an appropriate use of government business resource to send a text message out like that to all participants, posted on social media and a website? Do you see any issues with it complying with the law or policies of your government?

Ms HOWLETT - Thank you, Mr Winter, and I believe that's an operational matter for the current -

Mr WINTER - But I am asking you about its adherence to -

Ms HOWLETT - What I am very excited about is the prospect of us getting on with the job and delivering TasInsure. Whenever I travel around the state, I -

Mr WINTER - So you don't think there's a problem with the use of government resources on this?

Ms HOWLETT - hear about the rising cost of insurance, whether it be small business, workers compensation, et cetera, tourism operators, and it is critical that mainland operators -

Mr WINTER - So you have no problem with the government business delivering this during an election campaign?

PUBLIC

CHAIR - Mr Winter, let the minister answer your question, please.

Ms HOWLETT - As the CEO has stated, workers compensation is a very, very -

Mr WINTER - The question is specifically about using government resources like this to deliver the message. Do you think it's appropriate use of Tasracing resources?

Ms HOWLETT - It is an operational matter. It is not for me to say my personal opinion on an operational matter, Mr Winter.

Mr WINTER - You are the responsible minister. It's not an operational matter. I am asking you about whether it is an appropriate use of government resources to send that.

CHAIR - Mr Winter, please. Dr Woodruff.

Dr WOODRUFF - Thank you, Chair. Minister, my question is about Edward 'Ted' Medhurst who is a greyhound trainer. He, infamously, was banned for eight years for shooting 11 greyhounds and that was in 2007. It's pretty incredible he wasn't banned for life but he was banned for 10 years and then eight years later - he was banned for eight years - and then 10 years later he was inducted into the Greyhound Hall of Fame. He, I understand, according to news reports, has run 50 greyhounds since 9 October this year.

Are you concerned that the Greyhound Hall of Fame still has the name of a person like that, and do you accept that there is no fame and glory in doing something like that, and having been not allowed to race at all or train at all for eight years?

Ms HOWLETT - I wasn't actually aware of that, Dr Woodruff. I will pass to the CEO of Tasracing to speak about the hall of fame and the awards.

Mr JENKINS - Thank you, minister, Chair and Dr Woodruff. I'm across in some level of detail that the charges and subsequent penalties. I do recall that at least one of those penalties was significantly reduced under appeal by the Tasmanian Racing Appeals Board, but I would need to research the details. Perhaps the most relevant consideration here is that, certainly in the case of greyhounds, a hall of fame recognition is not a matter that is managed or afforded by Tasracing. It is afforded by a greyhound racing club or clubs.

Dr WOODRUFF - So, minister, neither you nor Tasracing have any oversight, responsibility, involvement or promotion at all of anyone who is given a Greyhound Hall of Fame accolade? You don't report that in reports, you don't put that in any social media?

Mr JENKINS - No, that wouldn't be accurate to state. There will be cases where they are given individually, or is recognised with the hall of fame through a club or clubs and we will post that on socials. We will state that in an annual report, yes.

Dr WOODRUFF - So, minister, through you to the CEO, other sporting codes -

CHAIR - Dr Woodruff.

Dr WOODRUFF - That was very short. That was just a clarification.

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CHAIR - But he answered the question.

Dr WOODRUFF - Yes, and I thought I had two questions, Chair.

CHAIR - You've had two questions.

Dr WOODRUFF - I believe that was just a clarification.

CHAIR - It was a question.

Dr WOODRUFF - I thought you were being generous. I just listened to Mr Winter who asked about 20 questions of the minister then.

CHAIR - I am being lenient. A lot of it was interjection and, Dr Woodruff, you've interjected a lot, too.

Dr WOODRUFF - It's okay to interject, is it? Alright.

CHAIR - Look, I'm being very fair, being very lenient, but if you want me to rule with an iron fist and just allow you one question without asking other things in the question, I'm happy to do that. It's up to you how strict you want me to be. Think about it. Let me know.

Ms JOHNSTON - If I may go back, through you, minister, to the chair, to GAP adoption statistics. There were 100 adoptions reported in the annual report. The 'failed assessment euthanised' was five which is higher than previous years and quite concerning. Then it says, 'failed assessment, returned to owner' is zero, which I assume is the greyhound trainer/owner.

Can you please give data around how many were returned to GAP? Last year when we met we discussed the high number of dogs that were adopted out through GAP, and, through RTI documents, were found to come back to GAP because their home wasn't suitable, the owners didn't quite understand what they were adopting, in the suitability in terms of matching owner to pet; do we have data this year on how many were returned to GAP in that period?

Dr LENZ - We do. Through you, minister, thank you for the question. It is reported in the same annual report and the figure is 16. Of those dogs that were returned to the program, the vast majority were returned for reasons of change in personal circumstances within the adopting family. Without going into detail, it ranged from anywhere to marriage breakdowns to health issues, those sorts of things. GAP's policy on dogs returning to the program is something we absolutely encourage. We have a complete open door. When circumstances change, we're concerned, obviously, for the dog's welfare. If those circumstances have any potential of impinging on the welfare of the dog, we open the door and get the dog back in.

I'm also very happy to report that all the dogs that were returned to the program were subsequently successfully rehomed again. What that tells us is that the assessment process that GAP undertakes in terms of assessing the temperament and the suitability of the dog is solid, it is good. What we can't predict is obviously a change in circumstance, but we have, as I said, a very, very strong policy that we don't leave that dog in a situation where it may come to some welfare harm, so we do take them back in.

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We reassess them depending on the information that comes back as far as the reason for the return. Obviously, if there are behavioural reasons that turn up in a home that we were not aware of while the dogs spend time on the program, we will vigorously reassess that animal before we make a decision as to whether it's responsible to go back out, but the vast majority of the ones that were returned were reassessed fine to go out and were successfully rehomed.

Ms JOHNSTON - I have another question, I understand?

CHAIR - Yes.

Ms JOHNSTON - Thank you. On a different topic, through you, minister, to the chair and CEO: is Tasracing aware of any allegations of sexual harassment amongst participants or inappropriate conduct at race meets? Does Tasracing have a policy on how to deal with that and how to deal appropriately with complaints from participants?

Ms HOWLETT - Thank you for that very important question. I will pass to the chair to add some comments.

Mr PHAIR - There is a code of conduct that Tasracing implemented in the last year or so, as far as all participants and employees. Misconduct of any type is included in that and can result in sanctionings, disqualifications or termination of employment, things like that. I'm unaware of any sexual misconduct allegations or anything like that in the industry. From a management point of view, I will defer to the CEO for some more information on that. Certainly, from a code of conduct point of view, it is very well documented to all industry participants and employees of Tasracing that there is a zero tolerance level as far as that goes.

Ms JOHNSTON - Does that relate to just race meets and specific areas, like geographical? Or does it relate to all conduct in training facilities, or just at meets and things like that?

Ms HOWLETT - That's a good question, and staff as well. I know that the CEO would like to speak to that.

Mr JENKINS - There are multiple protections that are in place here. As it's been quite correctly stated, there exists an industry code of conduct which covers our participants. That is an expectation that applies. It's not venue or location specific. If you hold a licence, you're expected to behave in alignment with. Separately for Tasracing staff, we have our own code of conduct which, similarly, mirrors those expectations. We undertake further training and support for our own people where we have direct control, including trauma-informed training recently for our senior leadership team that was conducted by Ms Regina Weiss. It's something that we're very mindful of and very protective of and active in relation to.

I can say that, as per the chair, I have no awareness of any such allegations. Clearly, if that type of behaviour was alleged, we would encourage that being reported either to Tasracing or through the Tasmanian Racing Commissioner's Office via what can be a confidential referral or lodgement. We have no place for it in our industry.

Mr JAENSCH - Minister, in a previous answer you touched on a fact that a healthy racing industry needs a strong and vibrant breeding industry behind it, which supports job creation and economic activity, particularly in regional areas.

PUBLIC

Mr WINTER - You're shutting down breeding next month.

Mr JAENSCH - Can you update the committee on your recent announcements in this space?

Ms HOWLETT - I'm pleased to update the committee that the Magic Millions has continued its commitment to the Tasmanian racing and breeding industry by extending the existing agreement with Tasracing and TasBreeders for a further five years. The new agreement will see Magic Millions conduct Tasmanian sales through to 2030. An extra \$1 million annually for the TasBred scheme will be invested as well.

Chair of the Magic Millions, director Barry Bowditch, said:

We commend Tasracing and the State Government, and we are committed to supporting and promoting the Tasmanian thoroughbred product to achieve the absolute best outcomes for its participants.

This investment is pivotal to the sustainability of the Tasmanian breeding and racing industry, and it was great to see Magic Millions provide the local breeding industry with its tick of approval and show some real confidence in the Tasmanian product, continuing the sales through to 2030.

We want to support and reward those who breed, buy and race the local product. And we're certain that extending the TasBred bonus to every maiden is a big step in the right direction.

Importantly, it gives breeders the confidence that they need to breed this season and into the future.

Mr WINTER - The absurdity of a Dorothy Dixier about breeding when the government's about to shut down greyhound breeding in January.

Ms HOWLETT - I thought you would be happy about that investment and the extension of the Magic Millions contract.

CHAIR - Order.

Mr WINTER - I wanted to go back to the question around the TasInsure text message.

Tasracing is listed as a State Service agency under the code of conduct. In the caretaker conventions, the caretaker conventions are very clear that resources of government can't be used and that agencies can't be used in a party political way.

Through you, Chair, was anybody in government, the Liberal government or in the Liberal Party, made aware that Tasracing was about to send this text message, and website and social media, out publicly?

Ms HOWLETT - Thank you, honourable member.

Mr WINTER - To the Chair, sorry, minister.

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Ms HOWLETT - Yes, and I will ask the Chair to comment.

Mr WINTER - No, the question is to the Chair. Just so you understand, under these -

Ms HOWLETT - I understand how it works.

Mr WINTER - I can ask either yourself or the Chair a question. I've directed this question to the Chair.

Mr PHAIR - Thank you, Mr Winter, for the question. I had no knowledge of the text message going out, let alone who instigated it, at the time. The first time that I was aware of a message, which was on social media, was a message from yourself alerting me to the fact. I immediately contacted the CEO to ask (a) was it true, and secondly, that it should be taken down. That's all I know of it.

Mr WINTER - The question was - the same question, chair - was anyone in the government or the Liberal Party made aware that this text message was going out?

Mr PHAIR - Not to my knowledge.

Mr WINTER - Are you able to check with your team? I can't ask the CEO direct questions, you see, Chair.

Ms HOWLETT - Are you able to respond to that?

Mr JENKINS - Yes, thank you. Not to my knowledge.

Mr WINTER - To you, again, Mr Phair, the State Service Code of Conduct requires agency - and in this case Tasracing is defined in this as an agency - employees and officers to use Tasmanian government resources in a proper manner. It says that the State Service principles in the *State Service Act 2000* assert that:

State Service is apolitical, performing its function in an impartial, ethical and professional manner.

Are you confident that Tasracing has not breached the caretaker conventions or the State Service Code of Conduct, State Service Principles and *State Service Act 2000* in sending out that text message encouraging people to look at the Liberal Party policy?

Mr PHAIR - Thank you, for your question, Mr Winter. I'm not an expert on the policy and the code of conduct, other than to say that the rationale around the sending of the message, as explained by the CEO, was around that this could be a benefit to the workers' compensation hurdles and impediments that participants had in place that were resulting in some businesses nearly having to shut their door. Whether it was a Liberal policy or a Labor policy, it was irrelevant; it was around making people aware of that.

In hindsight - and I've had numerous conversations with the CEO and we're both in complete alignment with this - we are an apolitical organisation and pride ourselves on that, so in no way would we be willingly participating in breaking that code of conduct.

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Mr WINTER - Did you make any referrals around this in terms of potential breaches of the code of conduct? Are you also aware that messages like this during election campaigns usually, or do, require authorisation? Did you make any referrals around either of those issues?

Mr PHAIR - No, I didn't. I was unaware of that.

Dr WOODRUFF - Minister, of the 1037 greyhounds that we understand are in the industry, could you please provide - and this might be on notice - a breakdown of the number held by each trainer, and preferably with the names of the dogs for each trainer.

Ms HOWLETT - I don't believe I have that information in front of me, and I think we would have to take that on notice.

Mr JENKINS - That's quite okay. We have the information and very comfortable to take that on notice.

Dr WOODRUFF - Thank you.

Ms HOWLETT - Is it possible to provide it before the end of the session, or you will take it on notice?

Mr JENKINS - Preference to take on, if we may.

Dr WOODRUFF - Another question, and it relates to injuries in the financial year 2024-25. How many dogs incurred injuries and/or died or were euthanised while racing at the track - with the name and the injury, the cause of death and the date for each of those dogs? Is it possible to take that on notice?

Ms HOWLETT - Dr Lenz?

Dr LENZ - Could you just specify the level of injury you're after? We have several levels of injury. Are you talking about the serious category, the serious injuries? Or are you talking about every stand-down period that's applied to every dog?

Dr WOODRUFF - I would be happy with all that information, if that's possible.

Dr LENZ - That's a big body of work.

Dr WOODRUFF - Is it? Are there that many injuries?

Dr LENZ - Well, the stand-down periods range from zero days and that's how injuries are approximated. A zero-day injury is an insignificant injury. We tend to concentrate on serious injuries.

Dr WOODRUFF - I recognise that. I'm really concerned about the serious injuries, particularly things that have led to death or euthanising, the name and what type of serious injury it is, the cause of death, and the date.

Dr LENZ - We do record that data very closely. I won't give an exact figure, but it's in the high 50s or maybe low 60s. It is something where we have very good data.

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Dr WOODRUFF - Great.

Dr LENZ - I can also advise the committee and yourself that since my appointment here, we have had a very strong policy where every injury that is potentially repairable, where the OTVs - the on-track veterinarians - determine that this is potentially a fixable injury, all those dogs are given proper pain relief and the injury is stabilised to facilitate their transfer to an off-the-track facility where further diagnostics can be applied. In most cases that's going to be an X-ray. Based on the findings of those X-rays, once again, we apply a very firm policy whereby any injury that is able to be treated is taken on to treatment and we facilitate that process through the other major scheme that we run, the Greyhound Recovery Rebate Scheme, which pays for the bulk of the treatment, if not all the treatment, in the majority of those cases.

We have dogs with - the most common injury type is obviously a right hock injury and they are all assessed further with X-rays and then taken to treatment. We also have some dogs, a much smaller number of dogs, that sustain long-bone fractures. Provided that the combined veterinary opinion - from the OTV on track and the referring veterinarian - is that there is scope for success in treatment, those dogs are taken on for treatment.

Dr WOODRUFF - Thank you for that lengthy explanation. That's useful.

Dr LENZ - The good news is that the number of dogs that have been euthanised as a result of those strong policies is actually minimal. In fact, Tasmania has, in the past two seasons, led Australia in minimising those mortalities for dogs with serious injuries. That is something that we're quite justifiably proud of.

Dr WOODRUFF - Thank you, Dr Lenz. Through you, minister, can I take that? I will write that question down, so it is on notice.

CHAIR - Mr Di Falco, do you have a question?

Mr Di FALCO - Yes, I do. Minister, how many EPA sessions have been offered? How long will the government look after the mental welfare of the trainers and participants? Will there come a time when the government will wipe their hands and walk away from the people who find themselves traumatised?

Ms HOWLETT - Thank you very much, Mr Di Falco, for your question. I would imagine before I hand over to the chair or CEO that the EPA program will be available after the phase-out period in 2029 as well. CEO, would you like to speak to that?

Mr JENKINS - Thanks, minister, Chair and, thank you, Mr di Falco. There is a range of phase-out considerations that are being worked through at present and that program is being led at the Premier's request by Mr Carroll, who is the Tasmanian Racing Integrity Commissioner. What I can provide certainty around is the fact that during the initial working group discussions that Mr Carroll is chairing, the matter of participant welfare, mental-health inclusive, is high on the list of priority programs to be considered.

The working group hasn't, as I understand it, yet got to the level of policy detail in relation to how long support programs such as an employee assistance program may continue. From a Tasracing perspective, we would most certainly be supportive of an appropriate extension of an availability of an EAP and any other support that we may be able to provide beyond not

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only in the immediate short term as we work toward a phase-out, but logically that support ought to occur beyond the cessation of the greyhound racing. The detail is yet to be determined.

Ms HOWLETT - That's a really important program. I know the chair would like to add a bit more.

Mr PHAIR - Thank you, minister. The EAP service is available to all racing participants 24/7. The service is provided by Tasracing for any reason whatsoever and clearly a lot of those reasons are confidential. We don't need to know about them and so on. Any industry participant can partake in that EAP anytime they like. It doesn't have to be as a result of something. It can be at any time.

Mr Di FALCO - So it is open-ended, there's no limit?

Mr PHAIR - There's no limit. They are free to use that service whenever they need to use that service.

Mr Di FALCO - Even a long term? This is important in Lyons because we already have issues with mental health as it is. Even our chair is a founding member of RAW so it's an important thing for us to take care of.

Ms HOWLETT - It is.

Ms JOHNSTON - To the chair or CEO. On 18 November at the Northwest Greyhound Race Meeting in Launceston, the steward's report states that there was an inquiry held prior to the meeting in relation to Mr Gerard Alford. I understand Mr Alford has appealed the decision of the stewards in relation to fining him, but it does note that it is in relation to Facebook posts made on Save Greyhound Racing in Tasmania and the charge relates to 165A Conduct Detrimental to the Interest of Greyhound Racing and what was allegedly said is prejudiced of the interests and image of greyhound racing.

In determining the guilt or otherwise of Mr Alford and the appropriate penalty, it does state that Tasracing has made a concerted effort to educate all stakeholders and participants on respectful behaviours and appropriate use of social media. Can you elaborate for the committee what work you're undertaking at the moment in relation to respectful behaviours and appropriate standards of use of social media as part of a training package and whether that's offered just to greyhound participants or is it across all three codes?

Ms HOWLETT - Thank you, Ms Johnson, that's a really important question. I think Ms Lester might like to speak to that.

Ms LESTER - Certainly I can touch a bit on that. Our participants have been given pamphlets on respectful behaviours and our social media policy due to inappropriate materials that are posted from time to time. In addition to that, Ms Shiralee Maher, who is our training officer is developing a course with TasTAFE and that is including a respect at work module as well. So we are really pushing respectful behaviours. Additionally, Tasracing has conducted training for Tasracing staff. It's broadly across the industry. It's not just for participants. Our staff are also required to conduct themselves in respectful manners and use social media appropriately.

PUBLIC

Ms JOHNSTON - Those pamphlets are given to everyone or just in particular -

Ms LESTER - My understanding is that information has been sent out to participants, often it's by text message because that's the preferred manner that our participants -

Ms JOHNSTON - That's gone out broadly across the industry?

Ms LESTER - Correct.

Mr JAENSCH - Minister, could you please update the committee on any key appointments made under the government's landmark racing reforms - the most significant in decades? Can you also provide any more details on the work of the new integrity unit, please?

Ms HOWLETT - These reforms were based on evidence and industry best practice, as recommended in the Monteith review. We said we would deliver them and we did. Integrity will be the bedrock on which the Tasmanian racing industry will grow and continue to make a positive contribution to the Tasmanian community.

The company's appointment of such an experienced racing integrity official in Ms Heidi Lester to the newly created position of Chief Racing Integrity Officer has been a great step forward in this regard. Ms Lester came to Tasmania from Singapore Turf Club where she was the vice president of racing. Prior to that, she was the chief steward at the Macau Jockey Club, the integrity partner at Cricket Australia and racing adviser and senior steward at the Korean Racing Authority. Ms Lester also has experience in Australia, as the chief steward for Greyhound Racing Victoria.

Our new racing regulation and integrity legislative framework has delivered strong new powers to set the framework higher for the industry. I outlined in my opening address and number of inspections, licences and actions the new Racing Integrity unit has undertaken. I will ask the company to talk about that shortly. Before doing so, I'd like to acknowledge that, as part of raising the bar when it comes to integrity in racing, we make no apologies for the new standards expected in the industry, regardless of whether you're a steward, a racing participant or owner, it's clear that the new reforms are delivering higher standards of integrity and animal welfare. When compliance with these standards falls short, action will certainly be taken.

Tasmanian racing has now entered a new era, which I'm extremely proud of. We have delivered the biggest reforms in decades to strengthen our racing industry and I'm really proud of that. I'm really pleased that Ms Lester accepted the position to come to Tasmania as well.

Mr WINTER - Minister, again, I want to confirm with you that you and no-one in your office or the government was aware that the text message about TasInsure from Tasracing was going out?

Ms HOWLETT - I can certainly tell you that I and no-one in my office was aware.

Mr WINTER - And no-one in the government was aware?

Ms HOWLETT - I can't speak for every single person in government or who works in government offices, but certainly, I wasn't aware and no-one from my office was aware.

PUBLIC

Mr WINTER - In the TasInsure document, racing is not even mentioned in their consultation piece. Can you confirm and assure participants that workers compensation for racing participants will actually be included in the TasInsure policy?

Ms HOWLETT - Yes, I can certainly confirm that.

Mr WINTER - Okay, on page -

Ms HOWLETT - You should be pleased with that.

Mr WINTER - Well, let's see what happens, minister. On page 58 of the 2024-25 annual report it states that Tasracing received almost \$23 million in race field revenue. Can you provide a breakdown by racing code for those race field fees? Can you confirm that this will be a direct revenue loss as a result of banning greyhound racing?

Ms HOWLETT - I will refer to the CEO to do that breakdown, if that is possible?

Mr JENKINS - Thank you, minister. I have a figure; I will get you an exact number in a moment. The race field fee revenue generated by greyhounds is in the order of \$8 million.

Mr WINTER - Are you able to, maybe on notice, break that down exactly?

Mr JENKINS - I might have that.

Mr WINTER - Is that a direct revenue loss then, once greyhound racing is banned? Can you confirm that that is a direct and complete loss of revenue for Tasracing?

Mr JENKINS - In a simplistic sense, yes. If there's not greyhound racing that race field fee income stops. It's a loss. What should be noted, is the broader profit and loss context of the way that a racing industry operates and certainly the industry in Tasmania. What I mean by that is, there is a number of other income streams available to Tasracing - government funding being one, media rights sponsorship and so forth.

So, should race field fee income cease in due course, the net impact on Tasracing's profit and loss, on the racing industries profit and loss, is to the good in the order of about \$3.35 million. What I mean by that is that - it's often stated that the greyhound industry pays for itself. I understand why people reach that assumption, but it's not accurate. What is accurate is to say that the greyhound industry generates more race field fee income than it is paid in stakes money. Stakes money is not the only cost associated with running a complex code across multiple venues. Once you build in everything else that it costs to run the greyhound industry at a net profit line, it's actually about \$3.5 million in the red.

Mr WINTER - Is that work that you've done around this? Is that something you're able to provide to the committee in terms of the breakdown and the work you've done? I assume you've done it not just for greyhounds but also for harness and thoroughbred. Is that something you'd be able to provide to the committee, on notice, through you, Chair, perhaps.

Mr JENKINS - If it's appropriate to do so. The modelling has been undertaken. We understand code by code breakdown.

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Mr WINTER - Is that okay with you?

Mr PHAIR - Through the minister. If the information is available, yes.

Mr WINTER - I will put it on notice. I appreciate it.

Dr WOODRUFF - Through you, minister, probably to the CEO. This question will again probably be on notice about greyhound dog injuries. The question is, how many dogs who incurred injuries at the track but were not euthanised at the track were euthanised over the next month as a result of their injury? If I could get the information by the dog's name, the type of injury, and the date that that happened or the date they were euthanised. Also whether they subsequently returned to racing.

Mr PHAIR - Through you, minister. It will be a small number, so we will have that for you on notice.

Dr WOODRUFF - Okay, thanks. A final question in this area: how many dogs incurred injuries and/or died or were euthanised while training or trialling, also by the name and by the type of injury and the cause of death and the date?

Ms HOWLETT - If we can provide that information to you, Dr Lenz, is that on notice?

Dr LENZ - Yes, I will take that on notice.

Mr Di FALCO - Minister, based on welfare data Tasracing collects, is there any evidence to support the claims that greyhound racing in Tasmania is unsafe or unfixable?

Ms HOWLETT - Thank you, Mr Di Falco. I will ask the CEO of Tasracing to provide comment to that.

Mr JENKINS - Thank you, minister. In terms of data that is currently available, Mr Di Falco, we are seeing a positive trend in our injury reductions and euthanasia over recent years, in particular under the strong leadership and policy development of Dr Lenz. There will of course be injuries always present but we have a view that it is heading in the right direction due to investment and Dr Lenz's leadership.

We're also committed to ensuring as safe as possible infrastructure across our two greyhound racetracks. That includes surface preparation and appropriate camber, give and consistency of the track. We've also relatively recently removed the two cable-driven lures, which have a risk of snapping and causing significant injury to the greyhounds and installed power-driven units. So we're very much committed to putting in place the best infrastructure and facilities we can to ensure the highest levels of safety for our racing dogs.

Mr Di FALCO - It seems like, from my point of view, if it's not broken, why fix it?

Mr JENKINS - That's not a question for me.

Mr Di FALCO - Yes.

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Ms JOHNSTON - Just a follow-up. I believe a question was taken on notice to be provided at this hearing regarding GAP total funding. Do you want me to put that on notice, given we only have a few minutes left?

Ms HOWLETT - I believe we have that total.

Mr JENKINS - It was just under \$1.1 million.

Ms HOWLETT - Just over \$1 million.

Mr JENKINS - Yes, \$1.05 million.

Ms JOHNSTON - For a total of 91 dogs?

Ms HOWLETT - It was for 101 dogs.

Ms JOHNSTON - Going back to the data provided before regarding dental care for 95 dogs at a total cost of \$37,121, I'm assuming that's just a subsidy. What percentage of the dental bill do you pay? That's extraordinarily low, and I know that taking a greyhound for dental care for a general clean is \$1000?

Ms HOWLETT - Any dog is around that cost.

Ms JOHNSTON - How much subsidy is provided? Is it a percentage or is it a fixed amount?

Dr LENZ - Thank you for the question. I can give you very accurate figures. We run a rebate up to \$400 for a male dog to be desexed and up to \$500 if that dog happens to be a rick, where one of the testicles is retained. For a female desexing operation, we rebate up to \$500. For a dental exam and treatment, if it's done at the time of the desexing, we rebate up to \$200. If the treating vet makes a decision that they want to separate the desexing from the dental for hygiene and medical reasons, we subsidise another \$200, so a total of \$400 for separate dental. We subsidise up to \$100 for a C5 vaccination and we also have a subsidy for any greyhound aged seven years or over if a decision is made to do some pre-general anaesthetic blood tests to check on safety of performing the procedure, of up to \$100.

Ms JOHNSTON - Do you provide any subsidy in relation to hereditary illness?

CHAIR - Ms Johnston, next question.

Ms HOWLETT - Chair, do you mind if I provide an update to Mr Winter for a breakdown of some code funding?

Mr JENKINS - Mr Winter, to give you the exact race field figures, you're quite right, the \$22.9 million includes international greyhounds, we were pretty close, \$8.1 million; harness \$3.4 million; thoroughbreds \$10.5 million; and international race field fees \$900,000.

Mr WINTER - Could you confirm you committed to providing on notice that modelling you were talking about earlier? Will you still do that?

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Mr JENKINS - Yes, noted.

Mr WINTER - I appreciate it.

Mr JAENSCH - Do you have some supplementary information, Dr Lenz?

Dr LENZ - I do; I want to correct the record. I did say it was a big table that I was looking at and I slipped into the wrong row. The total number of dogs treated under the scheme was 205 and of those, the total number desexed was 196.

Mr JAENSCH - Minister, in your opening address you commented on Tasracing growing its own-source revenue and the government working with the company to ensure it maximises returns in a competitive national market. What steps has the company taken to ensure it extends the reach of Tasmanian racing to a broader audience, both national and international?

Ms HOWLETT - Thank you for the question, it's really important. I'm pleased to update the committee on some important commercial and digital announcements. During the reporting period Tasracing launched a new updated corporate website, tasracing.com.au. The move provided greater security, flexibility for delivering content and enhanced analytical capabilities to enable better understanding of its customers. Website traffic has grown significantly, with tasracing.com.au views increasing by 9 per cent from 2.9 million to 3.2 million. Tasracing Live, a live streaming product, also benefited from the new platform, with noticeably improved streaming stability and an 11 per cent increase in viewing minutes.

Strategic content creation and targeted engagement across social media platforms delivers impressive results, with total account followers growing by 7 per cent. This was achieved through 2.9 million social impressions across Facebook, Instagram and X as well as LinkedIn, with minimal paid campaigns compared to the previous -

Mr WINTER - 'With minimal paid campaigns compared to the previous year' - it's in your annual report.

Ms HOWLETT - Mr Winter, would you please stop interrupting me?

CHAIR - Mr Winter, please let the minister finish.

Ms HOWLETT - It's very important information. Tasracing's 10-year contract and partnership with Sky Channel, which expires in December this year, will be extended under revised terms for further five years effective from January 2026.

I want to take the opportunity to acknowledge the substantial work done by Mr Jenkins to deliver this agreement and will shortly invite him to provide some further context to it. From our summer racing festival to our regional meetings, this extension will ensure Tasmanian racing product is widely available.

I'm also pleased to update that Ladbrokes has reaffirmed its commitment to racing in Tasmania, extending its partnership for another five years during the reporting period. These announcements, in addition to the Magic Millions deal through to 2030 that I discussed earlier, mean that there's evidence for confidence in Tasmanian racing and its sustainability as well.

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Mr WINTER - On page 58 of the annual report it states that Tasracing received almost \$1.5 million in sponsorship income. How much of that relates to greyhound racing?

Ms HOWLETT - Thank you, Mr Winter. I will ask the CEO to provide that to you.

Mr JENKINS - The majority of that sponsorship income relates to the overarching statewide principal partnership with Entain Australia and New Zealand, who we trade with as Ladbrokes. The contract does have volume, tiers and minimums in it. I would have to take on notice the exact relevance and considerations as related to greyhound racing, content and volume, number of meetings, et cetera.

Pleasingly, the extent of our partnership with Ladbrokes has placed us in a position where, at this point in time, we have not had any discussions, rhetoric or questions from Entain in relation to any impact on the partnership agreement or the quantum of the sponsorship. If it's appropriate to do so, subject to commercial confidentiality, I may be in a position to provide further detail.

Mr WINTER - If that's okay with you, minister, I will put it on notice and then whatever you're able to provide, subject to commercial-in-confidence, we'd appreciate it.

Ms HOWLETT - Yes, whatever we can provide, we will.

On that same page, it states Tasracing received more than \$2.1 million in 'other racing income'. Can you outline whether that includes vision and broadcasting rights, if there's anything else it covers? Will this income be impacted by the greyhound racing ban?

Mr JENKINS - 'Other racing income' includes a number of considerations where non-fees, acceptances, so on and so forth. I would have to go through the next level of detail, Mr Winter, in order to provide a breakdown in that regard.

Mr WINTER - I appreciate it. Is that okay to take that on notice as well, minister?

Ms HOWLETT - Yes, happy to.

Mr WINTER - Great. In terms of life expectancy for tracks, I want to take you to thoroughbred racing in Spreyton. Can you confirm that the Spreyton track is now well past its original life expectancy? What options has Tasracing considered for the track before it eventually undertook, as I understand it, renovation some few months ago? If so, can you take us through the costs that were estimated for what I assume is a total renovation, or whatever you call it, synthetic track? What are the options that were considered by Tasracing, and what costs are we likely on the hook for in the next few years around Spreyton?

Ms HOWLETT - Thank you, Mr Winter. I'll allow the CEO to speak about the refurbishment that took place at Spreyton.

Mr JENKINS - The Tapeta product or surface at Spreyton is nearly 15 years old, I think. At the time it was constructed, as I understand it, in that climatic environment and location - I am not sure exactly what the life expectancy was at the time it was built. Where we are at this point in time is that the surface is deteriorating. It's just getting worn. It picks up foreign matter over time, whether that be horse faeces, grass, dirt, other sand, whatever else is getting around

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the place. It simply means that the product is not able to bind the way that it does when it's young.

You're quite right, Mr Winter, we have undertaken a number of renovations in my time here, but the most recent one, seven or eight months ago, was the most significant that we have undertaken. That included the introduction of some new chemicals, or wax and oil, which are a binding agent, and also the introduction of new product itself to try to get more of a balance in the profile, i.e. more clean product versus the effectively contaminated products.

That worked well for three or four months, and we are now starting to see that the product performance is deteriorating. Therefore, our intention at this point in time is to prepare it as best we can to get through Devonport Cup in early January. We will make an assessment at that point in time as to what needs to happen next. More than likely it will be another retreatment to buy us at least another six to nine months. We have included in our recently updated CapEx plan, endorsed by the board, a full replacement of that surface in, I think we said the 2028 financial year. There's only so much you can top it up.

Mr WINTER - What's the estimated cost of that?

Mr JENKINS - It is somewhere between \$7.5 million and \$10 million.

Ms HOWLETT - Chair, can I clarify something in relation to Mr Winter's question before. I have directly spoken to Ladbrokes, and to Entain, TABCorp and Sportsbet as well, and they certainly have confidence in the Tasmanian racing industry.

Mr WINTER - Thank you.

Dr WOODRUFF - Minister, Susan Gittus is the current manager of the Greyhound Adoption Program. There are questions about the number of greyhounds that she has on her own personal property. Previous drone footage has shown very large numbers - 30 dogs - on her personal property. At the time, only two greyhounds were registered to her husband, Nathan Gittus, who is a trainer. Can you please tell me whether it's true that there are so many greyhounds at the Gittus property? Why are dogs being held there or going there, for assessment or foster care, and has that been approved?

Ms HOWLETT - What I can say regarding her employment as a GAP manager, Ms Gittus is endorsed by Tasracing for her experience and commitment to greyhound welfare. Tasracing supports her involvement with industry participants as it builds within the greyhound industry and aids GAP's work. I will ask Dr Lenz or Mr Jenkins to speak further to that.

Dr LENZ - Thank you for the question. I know this has come up several times over time. There's no mystery. Ms Gittus is a lover of greyhounds, and the majority of the dogs that you reference are dogs that are retired on her property. She does not - and I want to make that absolutely clear - she is not currently operating as a private assessor of greyhounds outside of the work that she does for GAP. Where she used to run a program - Greyt Life - that program is no longer active, so there are no assessments of greyhounds occurring privately on her property outside of the work that she does at GAP.

Dr WOODRUFF - Thank you, Dr Lenz. Through you, perhaps to Dr Lenz. The question is whether there's a conflict of interest with her role as manager of GAP, and how did the

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greyhounds get there, and if any money has been, or is being, paid to Ms Gittus, and who is paying for them? So, they left the GAP program, went to Ms Gittus's property. A clarification of how many greyhounds have gone there from the GAP program would be appreciated. The question is, who is paying for them, if anyone - the owners, the trainers, GAP, Tasracing? Could you provide some information, please?

Dr LENZ - Sure. I don't know how to make that any clearer, but these are dogs that she has privately retired to herself. They are dogs that were racing dogs. Most of them are aged at this stage, but she has a whole range of age ranges of retired dogs that were, my understanding, her privately owned dogs. There's no - and the term that's been bandied about is feeder kennel - there is no feeder kennel. These are her own, privately-owned dogs. There is no money that's being paid for her to retire her own animals to herself, by GAP or by anybody else.

Dr WOODRUFF - Or no veterinary costs paid, or any of those other things that might happen? Her husband, as I understand, is a trainer, but she no longer has a training licence herself. So, she's just looking after those dogs. How many dogs are there?

Dr LENZ - I don't know that number, but I believe that the number you mentioned is 30 dogs, and yes, she has a significant number of dogs that are retired animals. She provides all the financial means to look after those 30 animals. She is a greyhound lover at heart, and this is how that is demonstrated. She keeps 30 retired greyhounds on her property and looks after them to a very high standard.

Ms JOHNSTON - Minister, perhaps Dr Lenz might be able to answer this veterinary question. Does Tasracing provide any subsidies to breeders, owners or trainers who want to test their dogs for progressive retinal atrophy? It's a relatively cheap test to conduct and obviously prevents significant issues later on so we're trying to breed out that particular disease.

Dr LENZ - Picking up on Mr Winter's earlier comment, the breeding of racing dogs is obviously slated to be finished -

Ms JOHNSTON - Yes, by 1 January, hopefully.

Dr LENZ - There is a provision in the legislation that was tabled for participants to engage in breeding for pets. It would certainly be something that I, and I'm sure, Tasracing would support for the breeding of pets for there to be a provision for something like the condition you mentioned, some effort made to reduce the incidence of that condition.

Ms JOHNSTON - At the moment for racing dogs, obviously they're only bred for racing purposes and there's no subsidy or encouragement provided to owners or breeders to actually test for this. We don't want dogs being bred -

Dr LENZ - No.

Ms JOHNSTON - I hope that the legislation does go through. Obviously that's my personal view, but if it doesn't, we need to make sure that this particular condition, which is quite disastrous for the animals -

Dr LENZ - At the moment, the main determinant of breeding success is obviously breeding for speed, breeding fast dogs. It would certainly be highly desirable for other things

to be taken into account when breeding decisions are made. That would be something we would certainly favour.

Ms JOHNSTON - Going back to the data around GAP funding, if I understand the minister correctly, I heard her say \$1.05 million for GAP - was that the correct figure?

Ms HOWLETT - That's right.

Ms JOHNSTON - For the 101 dogs that GAP has rehomed, that's \$10,396 average per dog. Last year we were reporting it to be between \$17,000 and \$18,000. I'm wondering, since there's been significant investment in GAP and the facilities there, why that number has reduced from \$17,000 to \$18,000 per dog down to \$10,000 this financial year. What's the difference there? If you've invested more, I don't quite understand how the cost has gone down.

Dr LENZ - The figure from the last financial year, the \$17,000 you mentioned, was actually quite high across Australian rehoming jurisdictions. I believe we've been fortunate in terms of looking at where some of those costs were and whether they were going into helping us prepare the dogs or being spent on other things that perhaps weren't critical to that welfare focus. I'm pleased to say we have managed to funnel more of the money into actually assessing the dogs first of all but also training our staff and getting them to be able to train the dogs to make them able to be rehomed in better shape, but also in a shorter timeframe. As you'd appreciate, the timeframe from getting them onto the program to being able to be responsibly rehomed is the main determinant of cost.

Mr JAENSCH - Minister, the Tasracing annual report talks about new animal welfare funding that's being provided. Can you please outline some more details about the Greyhound Recovery Rebate Scheme and the Racing Animal Welfare Grants Program?

Ms HOWLETT - I thank the honourable member for his question. As we deliver the government's major racing reforms, last year I said in parliament that we would lift the bar higher in relation to animal welfare and integrity standards. These grants are good evidence of the commitment of the government and Tasracing to animal welfare and the way it positively influences operational decision-making at all levels.

Funding for the Greyhound Recovery Rebate Scheme of at least \$5500 per eligible injury was made available during this reporting period. The scheme helps ensure that all greyhounds with repairable racing injuries could be provided with the best veterinary care available to optimise their quality of life, regardless of whether they've returned to racing or were rehomed. This initiative provided \$130,724 for the treatment of 61 greyhounds and was a major contributor to maintaining a low euthanasia rate of greyhounds due to track-related injuries during the reporting period.

The Racing Animal Welfare Grants Program was established by Tasracing to provide funding for eligible groups and individuals providing animal welfare initiatives for active and retired racing animals in Tasmania across three grant categories. There were nine successful applicants for the second annual round of the program with a total of \$54,647 paid.

Dr Lenz, would you like to add any more comments to that?

CHAIR - You have about 50 seconds.

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Dr LENZ - The RAWG program is in its second year and we've once again extended it out not only to our existing stakeholders but also we reached out in particular to some of the greyhound re-homers. We will, in all likelihood, run the same program again and broaden that invitation to anyone who's looking after our animals when they retire from racing.

Mr WINTER - My question is to Mr Phair around the deed. You and I have been here before. In GBE hearings in November 2023, I asked you about the deed and you said your position was that your participants and people wanting to invest in the industry need certainty around the funding going forward. You said that Tasracing would like a decision as soon as possible about the deed. I asked if you put a proposal to government. You said you had within the last six to eight weeks. That was on 22 November, so more than two years ago.

Can you run the committee through why two years later we still don't have a new deed and why there isn't that certainty for the industry going forward to this point? What have been the issues in terms of negotiating a deed with government over the course of the last two years?

Mr PHAIR - Thank you, Mr Winter, for the question. I think it's unfair to say that there is no certainty. I think the government has been very clear in that there is a funding deed that will be provided to the industry. The quantum of that is still being determined by Treasury and Finance.

From our point of view we've made our recommendations, we've made our plea, so to speak of, around those comments that were made in 2023 and still stand. Participants want confidence that they can invest in the industry. I believe the government's announcement last week provides that confidence that they can invest in the industry, particularly from a breeding point of view. The time taken from when they think about servicing a mare to a horse actually making it to the races is a long period of time, as you know. That certainty is paramount as far as the breeding industry is concerned. I believe that certainty has been provided.

Mr WINTER - With respect, I think participants are wondering if they can really trust what the government says, given that the government said they gave full confidence to the greyhound industry and three weeks later went and did a deal to shut them down.

You're right, though, in terms of the conversation about breeding for horses. We saw last year's Magic Millions being a disastrous result, particularly for a couple of our leading breeders. Do you concede that the lack of having a deed is debilitating and driving prices down at our thoroughbred and standard bred sales?

Mr PHAIR - No, I don't believe that's the case at all. There is a number of contributing factors to the decrease in prices and the number of horses that were sold at the yearling sales. I think across Australia, probably without the Magic Millions on the Gold Coast as an exception, the prices are down. There's a cost-of-living issue around people with disposable income being able to spend money on buying horses and so on. There's a number of factors in play around why people may not have spent as much money at the yearling sales last year as they did the year before.

Mr WINTER - One of the factors earlier this year with those sales at the Magic Millions was a number of owners boycotting the sales because they couldn't get access into the stalls on race day, particularly at Elwick but also, I understand, at Mowbray. Can you explain to the

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committee what Tasracing is doing to ensure that owners can get access to see their horses on race day?

Mr PHAIR - Thank you for the question. I think we are on record as saying that safety is our number one priority for all participants, whether they are racing participants themselves, or owners or people who just want to go to the races and see the animals. We won't put that safety at risk. Until such time as we are able to provide a safe environment, as far as -

Mr WINTER - That's the question, when's the safe environment happening?

Mr PHAIR - Well, we are working on that. I can probably defer to the CEO for a greater update, but certainly that's paramount in our mind.

Mr JENKINS - In terms of the infrastructure, Mr Winter, the difficulty we have, in particular at Elwick, is that the original design is patently unsafe, where you have horses and people and potentially the general public or owners traversing an area where there isn't a physical separation between unlicensed persons and horses. If you were to head along to, say, Moonee Valley or Caulfield, when as an owner or a fan you go and view a horse or horses in the stables, you're behind a fence. It's a very safe and simple system. What was identified in the external safety audit, quite logically, is that it is a massive red flag to have unlicensed persons wandering around the stables. Where I'm going with that is that at this point in time we do not have the funding for an infrastructure plan to tear down the Elwick stables and start again.

Mr WINTER - Do you have a quote?

Mr JENKINS - No, we don't.

Mr WINTER - No estimated costs or anything?

CHAIR - Mr Winter.

Mr JENKINS - Look, finger in the wind, \$5 million. But the other consideration here around that of course is integrity. Ms Lester is on record having written to Tasracing operations and indeed the commissioner to advise her view that you ought not have unlicensed persons in the stables for risk of contamination -

Mr WINTER - Is this only for thoroughbreds?

Dr WOODRUFF - Chair.

Mr WINTER - Sorry, I shouldn't have interrupted; I apologise.

CHAIR - Quickly finish.

Mr JENKINS - Yes, of course. At this stage the restriction is in place for thoroughbreds and we have asked the independent safety consultant to come back and observe some harness meetings and make a specific assessment on those operating mechanisms. We would love to have owners in the stables, please don't misunderstand, but I would much rather have an unhappy owner than a dead one.

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Dr WOODRUFF - Minister, this is to the Tasracing CEO. On 27 May, the Magistrates Court in Devonport found racehorse trainer, Liandra Erin Gray, guilty of committing an act of cruelty against a horse when she whipped it with a padded racing whip. The magistrate found it had indeed caused or was likely to cause unreasonable and unjustifiable pain or suffering to an animal. Is Tasracing looking at adjusting the local rules of racing to ban the use of whips in training and racing?

Ms HOWLETT - Thank you, Dr Woodruff, and I know Mr Jenkins would like to speak to that.

CHAIR - The time allocated for scrutiny of this organisation has now expired.

Thanks to the office holders and staff for your attendance. Thank you to the committee and the minister and members. Thank you very much.

The witnesses withdrew.

The committee adjourned at 7.30 p.m.



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Ports Corporation Pty Ltd

Wednesday 26 November 2025

MEMBERS

Ms Burnet (Chair)
Mr Rob Fairs (Deputy Chair)
Mr Vica Bayley
Ms Kristie Johnston
Mr Marcus Vermey
Mr Dean Winter

OTHER PARTICIPATING MEMBERS

Prof George Razay
Mr Roger Jaensz
Ms Anita Dow

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MP, Minister for Infrastructure and Transport

TasPorts

Greg McCann
Chair

Anthony Donald
CEO

Mick Wall
Harbour Master

Julie Garth
Group Executive People, Culture & Safety

(In support)

Michel de Vos
Group Executive Major Projects, Assets & Technical Services

Dominic Townsend
Chief Financial Officer

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THE HOUSE OF ASSEMBLY GOVERNMENT BUSINESS SCRUTINY COMMITTEE MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE HOBART ON WEDNESDAY, 26 NOVEMBER 2025.

Tasmanian Ports Corporation Pty Ltd

The committee met at 9.00 a.m.

CHAIR (Ms Burnet) - I welcome the minister, Chair and CEO to the committee today in rather trying times, and I also welcome the other members of this committee.

The time scheduled for the scrutiny of Tasmanian Ports Corporations is three hours. As is the practice of the committee, the time taken for any breaks will not be added to the time for scrutiny, so I do not intend to take a dedicated break, unless you request that for five minutes or so. Members and witnesses are welcome to help themselves to tea and coffee throughout the day and take any other appropriate breaks as necessary.

Members would be familiar with the practice of seeking additional information which must be agreed to, to be taken by the minister or the Chair of the Board, and the questions handed in writing to the secretary.

I invite the minister to introduce any other persons at the table, including names and positions. I also invite the minister to make an opening statement. Thanks, Minister Vincent.

Mr VINCENT - Thank you, Chair. To my right, I have my Chief of Staff, Tim Lovibond; on my left, working down from immediate left is Greg McCann, the Chair of the Board of TasPorts; and next to him is Anthony Donald, the CEO of TasPorts; next is Julie Garth, who is manager of people and culture -

Ms GARTH - And safety.

Mr VINCENT - And safety, thank you, that's the key one. Then closest to the Chair is Captain Michael Wall, who's our harbour master.

CHAIR - Would you like to make a statement?

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

I want to begin by acknowledging the professionalism of the Board, led by Chair, Greg McCann and the leadership of Chief Executive Officer, Anthony Donald, who together with the Board of Directors and experience management team continue to strengthen TasPorts' performance and culture.

The past year has seen a renewal of TasPorts' governance, with a refreshed and expanded board bringing additional skills in infrastructure delivery, finance and sustainability. TasPorts is undertaking significant investment and planning to modernise its port infrastructure and

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build capacity for current and future operations. The company achieved a net profit after tax of \$11.9 million, balancing the need for continued investment in crucial infrastructure with disciplined cost control and operational efficiency. In recognition of this strong performance, TasPorts declared a dividend of \$10.1 million to the Tasmanian government, contributing directly to the delivery of essential public services across the state.

Across the state, 14.3 million tonnes of freight move through TasPorts network during the year, reinforcing its role as a crucial link in Tasmania's supply chain and export economy.

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

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

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

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

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

The company also continues to demonstrate leadership in community engagement, providing more than \$600,000 in community support and awarding \$100,000 in community grants to local organisations across Tasmania.

In recent years, the organisation has faced modernising aging infrastructure, managing the demands of a growing freight task and strengthening its internal systems and culture. Throughout this, TasPorts has continued to deliver. It has remained focused on safety, on service and on meeting the needs of the communities and industries that rely on it every day.

It comes down to its people, the tugboat crews, the marine pilots, the operational teams, the engineers and those in regional office and corporate roles, all take enormous pride in keeping Tasmanian ports and our economy running.

TasPorts is in a strong position, and it is financially stable, operationally capable, and led by a refreshed board and experience management team focused on long-term success.

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Ms DOW - Thank you, minister, and thank you to the board. My first question is why did it take so long for TasPorts to act on the safety issues and remediation issues that were required at berth 4 and 5 at the Burnie port?

Mr DONALD - I think it's important to recognise that berth 4 in Burnie was constructed in late 1880s, early 1890s. It's a complex structure and in order to understand what has been going on there, we conducted immediate investigations and took advice from a number of engineering consultants immediately. We've worked hand-in-hand with our customer, Strait Link, to ensure ongoing operations can continue at the wharf.

We've been incredibly cautious and risk-averse in our approach. We've implemented measuring devices from measuring depths of the water, the changes to the water table to vibration monitoring, to surveys, none of which over the last 12 to 14 months have identified any movements of the wharf.

We've been progressively working through investigations now on-site. We're 90 per cent of the way through the design process; we're expecting to be able to present that with a more permanent solution to our board prior to Christmas. Pleasingly, we've been able to do that in a really complex environment without disrupting the operations of our really important customer, Strait Link, noting the importance of Strait Link and their freight movements to the State of Tasmania. It's an absolute focus and priority and I think we've managed it incredibly well in a very complex environment.

Some of the other things that we undertook was some modifications to berth 5, which is adjacent to berth 4. Why did we do that? Well, again, we were seeking to understand with investigation and design advice what we could do to berth 4 to reinstate some structural integrity to enable us to have confidence in its long-term stability. In doing so we wanted to make sure that we had a contingency plan in place for if it was to fail.

Ms DOW - That's right. If that failed, you would need berth 5. Yes.

Mr DONALD - That's why we've conducted a number of improvements and upgrades to berth 5 and we did that prior to commencement of works on berth 4.

Ms DOW - My understanding is, though, that those safety audits were done back in 2023. Is that correct, that you received that advice?

Mr DONALD - I wouldn't say safety audits. We conducted - and I'm happy to take advice on the specific date - but we conduct condition assessments on all our wharf infrastructure across the state. We conducted, as part of our normal program of inspections, a condition assessment on berth 4. We identified that there was some scouring of concern and then that prompted us to conduct further investigations.

Ms DOW - If you could provide that date, that would be good. My understanding was that it was 2023.

Mr DONALD - I certainly can.

Ms DOW - Could you provide me with a breakdown of the amount that's been spent to date on consultancy and contractors on the work that's being done on berth 4, please?

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Mr DONALD - Very happy to do so.

Ms DOW - Okay, so put that on notice.

Mr DONALD - Yes.

Ms DOW - Just on that, do you have the skills and capacity within your internal teams to undertake that work? What is the rationale for going out to get so many consultants and contractors on that job? Do you have those skills internally?

Mr DONALD - It's a very complex engineering design requirement and then construction methodology. We're matching the conglomerate of a structure that was originally constructed in the 1880s with current-day Australian standards. When you think about that, what has happened to the structure over its life? Originally it was - from what I understand; I've seen the original drawing - it's a timber trestle bridge structure. We anticipate - I personally anticipate - that that structure is still there, it's just buried beneath evolutionary change of that structure over its life. Concrete blocks have been assembled; they've been positioned in place.

Ms DOW - It might have rotted by now.

Mr DONALD - Perhaps not. Some of the timber trestle structures that were built back in the 1800s remain incredibly well intact from a structural perspective. I suspect that there's an old timber trestle structure underneath. Then there's a structure made up of large concrete blocks that are pinned together. It's like a staggered brick wall with dowels, if you like. If I could provide an agricultural description, dowels between the blocks joining them together, carved into the concrete blocks. Then we have a more contemporary - 1970s - concrete beam structure and wharf deck across the top.

When we identified some localised scouring that was in the location of one of the vessel's thrusters, what did we do? We wanted to make sure that we could conduct repair activities to reinstate that area that was being scoured. We also wanted to then -

Ms DOW - The question was about your capacity internally to do that work rather than contractors.

Mr DONALD - Okay, I'm sorry. I drifted off on a tangent. We've essentially brought in expertise to complement our existing team. We do have team members who are very experienced in managing and overseeing design and conducting these in themselves, but these are important activities. We don't self-perform design activities. We always outsource design, ensuring that we conducted externally-managed design activities that could then be used with a contractor to conduct a trial, which is what we're nearing completion on, to then finalise a design. It is a complex structure. Would we outsource again? Absolutely, every day of the week.

CHAIR - Last question and we will move on.

Ms DOW - When was the last time that there was maintenance undertaken on berth 4, major maintenance prior to this point in time?

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Mr DONALD - I would have to take that on notice and provide that. I wouldn't imagine it would have been too long ago. I do know that there was significant maintenance activities conducted at the time where the Strait Link vessels changed. We know that they are five to six years old now. There was a major upgrade at that point in anticipation of the new vessels coming.

CHAIR - I will be asking questions from the chair. Minister, Moody's rating agency last night downgraded Tasmania's credit rating from Aa2 to Aa3. With the impacts of trying to fund a stadium and bailing out TT-Line, how much money is there for other portfolios you cover, such as TasPorts, and how would that impact their project delivery?

Mr VINCENT - Thank you, Chair. TasPorts' borrowings are very much a matter for the TasPorts board, which is a separate issue. The rest of the matter on that change - I haven't been updated on it fully - but TASCORP will be working through that, I'm sure, as a matter of urgency to come back to us with more information.

CHAIR - I suppose the question really is about borrowings that TasPorts might have, and that guarantee from the government?

Mr VINCENT - I will have to refer that to the chair who would be monitoring that in regard to TasPorts.

Mr McCANN - At the moment, Chair, we're well within our limits. We have undrawn facilities and we're developing a program of works. In the first instance, we're trying to get a line of sight over a 20-year program and then we're bringing that back to a five-year focus. We're in the midst of doing that so I can't provide any numbers because all we've got is high-level, like-for-like replacement costs. We won't be replacing like-for-like, and there will be certain decisions we'll have to make around whether we can do things more efficiently - can we just change the way we operate? That's part of the process we're going through.

When we do get to a clear five-year view we will look at our existing debt levels. We will look at our ability to service debt. We will then look at how much of this is, for example, a community service asset that the government would normally fund because we are responsible for maintaining community service assets, but we're not responsible for funding them. There could be other assets that could be funded in a different way, whether we can fund it out of working capital - and I made the point yesterday that whilst we have reasonably low retained earnings because we do pay tax to the federal government, we do pay 90 per cent of our after-profit tax as a dividend, which we're very comfortable with because that's a fair return to the shareholder on the funds they've got invested. The way we account for major capital works is that they are paid for upfront and they might have a say a 20 or 30-year useful life.

From an accounting point of view, we amortise that cost over the useful life of the asset. So, that amortisation cost is an expense in our financial statements, but it's a non-cash item. It does provide us with working capital that we can put back into assets, whether it's upgrading an existing asset, building a new asset or a major maintenance program. To answer the question, how does it affect us? That would depend on whether we can't find an alternative way other than coming back to the shareholders and asking for funds, in the form of equity normally. It might be a loan; it might be equity.

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CHAIR - To go back to you, minister, because - I mean that's TasPorts' answer and I understand that, but this is a serious downgrade in rating. We haven't had the Standard & Poor's rating, but chances are that might reduce as well. How, as the minister responsible, are you going to influence policy-making in relation to protecting your shareholder interests?

Mr VINCENT - The way to answer that at the moment is sensibly that we will take advice from Treasury and through the Treasurer in relation to all forward Estimates to start with and that will be coming forward in the next few days, I should imagine.

CHAIR - We have significant choices to be making on significant amounts of money and investment as a government.

Mr VINCENT - Correct.

Mr GEORGE - I'm not sure whether perhaps this has already been answered. Your concern at TasPorts is aging infrastructure. I suspect looking back, probably lack of investment over the past years. With the major projects that you have in your annual report, I would assume that you have a view of the borrowings that you would need to fund the infrastructure over the next five or 10 years. Are you saying that you haven't got to a position where you can't project what sort of borrowings you're going to need out over the next five or 10 years at least, especially since you're looking at a program that works over a 20-year period?

Mr McCANN - That's a good question, and that's a question that's facing the board at the moment. We're only just seeing this five-year focus and what's included. The board will look at considering this, if not this coming meeting or the meeting after that. A key question the board will be asking is, how do we fund it? As I said, there are various ways to fund these things. If we can improve our efficiencies and if we can start generating better returns then that does increase our capacity to service debt, but we would not be taking on any debt that we simply cannot service. It's too early. If this was in January/February, I'd have more information for you, Mr George. I don't at this stage.

Mr VINCENT - I would like to expand a little on this from ministry's point of view. Last year it was - when we were talking and viewing berth 4 and Burnie and the work needed to be done on berth 6 and even looking at over on the redoing of the motel on Elizabeth Street Pier, I had a very sharp, quick lesson in some of the infrastructure underneath and the difference between concrete and timber pylons and casings. TasPorts could be full-time casing pylons or piles all time and still not keep up with the changes in that. We started to look at what was necessary going forward because, as the CEO touched on, a lot of the old infrastructure has been built over two or three times and so you don't know until you have a problem.

It was interesting talking with the people from Strait Link about the size of the ships to what they were 20 or 30 years ago when the wharves' last major construction period went on, and the effect of side thrusters on the scouring and all these little things that added up. I sat down with the previous chair and the CEO and said, 'I'd rather be looking at least a 20-year list of infrastructure as best you can because you can only work through it.' They've done a little bit of work on it, but they were working mainly to the government timelines of four to five years. That is the body of work that the chair was just talking about.

They've now started identifying, which they had, but not with enough detail. My thought pattern, a 30-year infrastructure list, obviously five you can be pretty accurate on, 10 can be

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liquid and changing as it comes close to the date, but you keep your eye on it in case you have to bring one of them forward or back. That's the information that the board is working fairly hard and in depth on at the moment and not quite finalised yet. That will give us projections or a better understanding. It won't be perfect, of course, but it will be a much better idea of the long-term funding requirements/necessities for TasPorts going forward.

Mr GEORGE - That will be the time you're going to have to start looking at what is liable to be hundreds of millions of dollars of debt.

Prof RAZAY - Thank you very much. My daughter, last month, was looking forward to going on the new *Spirit of Tasmania* and she was so disappointed. How is it progressing, the upgrade in Devonport berth, and do we have firm dates about the arrival of our new *Spirit of Tasmania*?

Mr McCANN - That's really a matter for TT-Line, not TasPorts. I think that's been reasonably well documented in previous scrutiny and Public Accounts Committee. Anthony, you might know - I think October next year is their planned delivery date, or going into service

Mr DONALD - I might take the opportunity to add that that we're working very closely with TT-Line. I'm exceptionally proud to say that the relationship is brilliant with TT-Line. I'm personally in regular contact with the CEO, and my management team is having daily or weekly contact, including with coordination of the completion of their terminal works and, of course, the construction of the ramp. I think everyone who visits Devonport can see the ramp absolutely coming out of the ground and start to appreciate the size and complexity of the structure that TT-Line and their contractors are building.

Prof RAZAY - So, the infrastructure is progressing well and to be on time and within the budget? The infrastructure, the berth.

Mr DONALD - Our project is Project QuayLink, and we are absolutely within budget. The works that we completed around berth 3 were completed on time and within budget. The wharf was completed in June of last year, with fenders, with the completion of the dredging activities in the berth pocket and the channel, and the swing basin that enables the arrival of the new vessel.

We continue to work closely with TT-Line on the coordination of their interface works. We've got some really important other interface works that will be commencing early in the new year with SeaRoad works. These are some important movements that will take place between TT-Line and SeaRoad.

Mr JAENSCH - To the chair, Mr McCann. Good morning, my name's Roger Jaensch. I'm a Liberal member for Braddon, so, a couple of Braddon questions for you. Could you please provide us with some more detail on the new agreement with Strait Link at the Port of Burnie and its significance for the industries that depend on that port?

Mr McCANN - Thank you, Mr Jaensch. Our CEO is very close to that matter, so I will defer.

Mr DONALD - Thank you for the question. Really pleasingly, we have agreed a new 30-year arrangement with our key customer Strait Link. I think it's in the public domain that

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TasPorts was challenged previously by legacy commercial contracts that predated the formation of the TasPorts business. The Port of Devonport, the Port of Burnie, as an example, were competitors in the attraction and securing of those customers in TT-Line, SeaRoad and Strait Link, and the commercial agreements that TasPorts inherited were uncommercial.

We are in the fortunate position now, not without a lot of hard work and some testament to some great relationships, that we now have commercial agreements in place with all three customers, and they are in an even-handed approach. What does that mean? We're treating all our customers fairly and the same, with that regard. That's a really important point.

Mr JAENSCH - Thirty years is a long time. Is that intended to create certainty and stability so that investment can happen with confidence?

Mr DONALD - It certainly is. The other point that I will add is that we were able to reach agreement with Strait Link four years ahead of the expiry of their prior agreement, which again I think is a really good achievement for our business and for Tasmania and for them.

Mr JAENSCH - Has Strait Link foreshadowed, within that timeframe and those agreements, its own investments in this link?

Mr DONALD - They're now working through a review of their terminal in the operation and efficiency of their terminal. There's a number of elements of the configuration which are perhaps not as ideal as they could be, and we will continue to work through some planning with them around how they may augment or redesign the configuration of their terminal over time.

Ms DOW - I want to continue with the Burnie port. You've talked a bit about the fact that you've got your designs in process for the work that's required. When do you expect that work to be completed by and what's the approximate cost of that?

Mr DONALD - I will have to take that one on notice, but it's probably likely that we can't answer that specific question and I will explain why. We are, as we sit here today, I think, 90 per cent to 95 per cent complete on the design. As I said earlier, we're planning to present to our board at our December meeting the completion of our design which will include cost estimates for the forecast's completion of the construction elements and also the duration.

Once we get through board consideration of that, we will be able to make that public. It's fair to say we're working through that with both the designer and the construction contractors that are on site and have been working through with us the trial. The trial is essentially important to validate some of the assumptions that our design team are making with respect to the structure. They're drilling through that old structure - and I'm sure I'm oversimplifying the description - but drilling through the old structure and then filling it up with structural grout to provide greater structural integrity. When they're doing that, they're identifying the material that is in the structure and making some assumptions around it regarding its structural integrity and strength.

Some of the things, as an example, that they found is the remnants of an old meatworks. So those activities are incredibly important to validate the assumptions of what's there and what's not, so that when we do implement the works, we are absolutely confident that it's going to be durable and last for a very lengthy period of time.

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Ms DOW - Yes, but through the work that you've done, what would you expect the life of that asset to be after the work's been completed?

Mr DONALD - It will exceed the lease.

Ms DOW - You've talked a bit, obviously, about the requirement for capital investment across infrastructure. There's been a number of questions asked by the committee about that.

You said, yesterday, that you were reviewing each of the master plans that you have for your ports across the state. That process was completed quite a while ago. It was back in 2018 and there are a number of things that were outlined for the Burnie Export Gateway Project.

I want you to provide an update to the committee on the dredging that's taken place as part of that master plan and update us on whether that's completed or whether there's more work to do regarding dredging at the Burnie port?

Mr DONALD - Sure. There has been maintenance dredging undertaken at the Port of Burnie. There will absolutely always be a dredging program at the Port of Burnie. So the committee and the community should expect every two to three years, every perhaps four to five years at the maximum, that there will be a dredging campaign at the Port of Burnie and equally with the Port of Devonport.

Ms DOW - Thank you. The other thing that's outlined in that plan is around the reclamation of land in and around the Burnie port to enable a multi-modality terminal and other things to be established. Is that still the plan?

Mr DONALD - It will still feature in our long-term master plan. What we've been able to understand is essentially the commercial reality of the forecast volumes from our customers don't support investment in the short term.

A number of years ago, there was perhaps more buoyancy and optimism from the mineral sector in particular regarding export opportunities moving through the Port of Burnie. In response to that, we've developed some plans. Of course, we were very eager to support those investments and to support those export volumes.

Unfortunately, they are not coming through as quickly as we would like, and certainly we're not in a position to invest ahead of the volumes being there in place. We would put in place with those customers as an example, minimum volume guarantees or commitments over a 12-month period in order to enable us to talk through investment decisions with our board and then the shareholder, because we would all want to make sure that we are seeing a return on investment. The plans that we've been working through for the Port of Burnie are quite significant. It would potentially see expansion of the port further out into deep water - out into 18 metres of water. It could see significantly larger vessels coming. It may or may not prompt us to relocate or reorientate the Burnie chip export terminal and how that works.

Those familiar with the Port of Burnie also might understand that berth 6 and berth 7 were designed in a way that the end of the wharf structures are closer together than the beginning of them; that was done for really good engineering rationale by the Port of Burnie 60, 70, 80 years ago, through understanding the wave movements and modelling. What they

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didn't anticipate at that point in time was the significant increase in vessel sizes that we would see over time, and we are now -

Ms DOW - Through you, minister, just to get back to the point of the question, which was around the master planning process: you said that you're reviewing that, and you've talked a little bit about what you want to see in that. When can we expect that to be a public document and for there to be some funding and staging and timeframes across when that investment will be made?

Mr DONALD - We will be commencing our process for a review of our port master plans in the new year, and at that point in time we will be able to provide some indications of how long it will take.

Ms DOW - Through you, minister, in an answer to a prior question the chair indicated that the work would be done in the finalisation of your capex going forward, and your plan for the next five years I think you said - will that be a public document, or is there an opportunity for members of parliament, given the significance of that, to be briefed on that when it's formalised?

Mr McCANN - I'm not sure what the right process would be. Normally, that would be a decision for the board and any expenditure - any capex over, I think it's \$5 million - we need to submit a business case to the shareholder ministers. It would all happen in stages of course, but I will need to take that on notice as to what the process is for us to make that a public document for input, but I'm happy to do that.

Ms DOW - Just one final question, Chair.

CHAIR - Yes, but don't forget there are others of us here at the table. Thank you.

Ms DOW - Yes, I know. This will be my last one. We've talked a bit about the safety issues and remediation at Burnie port; are there any other significant issues across your infrastructure across the state that you are aware of, that you want to update the committee on today?

Mr DONALD - Not as significant as Burnie berth 4. I will take the opportunity to say though, that again, we do have ageing infrastructure. We have -

Ms DOW - That's why I'm asking the question, through you, minister.

Mr DONALD - the oldest port infrastructure in the country, with the lowest asset utilisation. We've put in some really big effort over the last couple of years to advance our strategic asset management approach. We are targeting March 2026 for ISO certification, that will arguably put us in a position - we will be the third port business in the country to achieve asset ISO certification, which will be a great effort.

We've been investing in our asset management system, so we now have an asset modelling tool. We routinely conduct inspections on all our assets, that goes into digital asset management plans, so live updates. We have a GIS that's being actively managed. We're undertaking inspections using drones, both with underwater drones and also air-based drones. We are leaving no stone left unturned to ensure that we are responsibly managing our assets,

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as the chair indicated, making sure that, hand-in-glove, the financial sustainability of TasPorts is an absolute focus.

The other really important element is that we maintain service levels for our customers, because our primary role is to facilitate trade. The movement of freight and the movement of people is front of mind in every decision that we make. So making sure that we are making responsible decisions around the management of our assets and the financial management of the business, but working closely with customers about their needs now, and into the future. Of course, there will be some opportunities, I would imagine, where there's some likely rationalisation of assets; again, having 30 per cent berth utilisation is a challenge we need to start looking at, you know, what wharves we may be able to make some more efficient decisions with.

CHAIR - Minister, and it might be a question for the chair or CEO, but, following on from what Ms Dow is talking about, I'm interested in the \$188 million project, which is berth 6. This time last year when we had Estimates you talked about being 100 per cent - confidence level of 10 out of 10 in relation to delivering that project on time and on budget. I'm curious to know where we stand with that currently.

Mr DONALD - Eleven out of 10.

CHAIR - With all the moving parts, you're over what is a normal range of confidence that you're going to deliver that project?

Mr DONALD - We are absolutely committed to delivering success with that project. We have a laser focus. We have a brilliant team on board for that project. We are at the final stages of our tendering process for the work. We will be presenting to our board in the coming weeks a recommendation to award a construction contract, and we will be looking forward to a possible announcement before the end of this calendar year around who that contractor is.

CHAIR - Okay, so you haven't quite got there with the tenderers yet?

Mr DONALD - We have finalised our tender evaluation and we're moving through our internal governance process.

CHAIR - Right, okay. Are there other structural issues with other berths in the Hobart port?

Mr DONALD - In terms of condition, of course there's the condition of 4 and 5. That structure is reaching its end of life, perhaps four to five years. Some of the Hobart waterfront was constructed, again, in the 1800s. So it's an ongoing task.

CHAIR - And wharves 2 and 3: what condition are they in?

Mr DONALD - From what I understand, and I'm sure I will be corrected otherwise, but I understand those to be in very good condition.

CHAIR - What ships can use wharves 2 and 3?

Mr DONALD - I might ask our harbourmaster to answer.

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Mr WALL - Berths 2 and 3 in Hobart are open for everything, to be quite honest. The cruise ships, that is their favourite berth with the terminal adjacent to the berth. *Nuyina* uses it for cargo work as well. We've had naval vessels alongside; we've had smaller barges. There's a barge doing some work for the Bridgewater Bridge alongside yesterday, so all vessels can use the berth.

CHAIR - Okay. Is there concrete cancer in those wharves?

Mr DONALD - Every concrete structure commences deterioration from the day it was built. It not of great concern to us, the condition of MAC2 and MAC3, but we continue to monitor it.

Mr GEORGE - Minister, through you, if I may: 30 per cent utilisation of port facilities. That sounds like that's a real issue that does need a pretty rapid addressing. Can the board explain what it's doing to address that issue?

Mr VINCENT - Certainly the CEO has had concerns about port utilisation for quite some time, and they come from the history of Tasmanian ports all being individuals and competing against one another. Now it's all combined in, and I don't know whether the chair or the CEO would like to take that.

Mr McCANN - I will pass to the CEO, but TasPorts is a very complex business. We have 11 ports. Four of them are what we term commercial ports: that's obviously Hobart, Devonport, Burnie, Bell Bay. Then there are a lot of other ports that are either non-commercial or just community service. Added to that is we own Devonport Airport and we run Bass Island Line. So it is complex and spread across a population of what, 550-something-thousand, it's not surprising that we've got low utilisation. I think I will pass over to the CEO to sort of answer how do we deal with the utilisation issue?

Mr DONALD - Because of the way the ports have developed over time, a lot of the wharves are unique to a particular customer. So they have bespoke design elements that are suitable for the particular customer that is exporting or importing their freight through that port. The opportunities to say to customer A, 'Can you share a wharf with customer B,' are few and far between without looking at some significant upgrades in itself.

As part of our port master plan, previously we did identify some opportunities when we've had some conversations with some customers in that regard. Fair to say, our focus has been initially on asset management and now, as we move into our port master plan's review next year, we'll be starting to target those a little bit more consciously. The challenge will be the commerciality of investments required to augment wharves that are common user, some of them are not common user, but that are common user, to accommodate more than the bespoke elements for one customer.

Mr GEORGE - Are you looking at the potential of decommissioning various infrastructure?

Mr DONALD - Yes, we wouldn't rule that out, absolutely.

Mr GEORGE - Have you got particular areas where you need to focus?

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Mr DONALD - Not at this stage. I would say that that wouldn't be Hobart. There's probably some opportunities in the north of the state, but everyone will have a different view and opinion on that. To be fair to our customers, I don't want to portray my personal view without going through a structured process with them. Our relationship with customers is incredibly important and their perspective counts. So yes, that will be part of the process.

Mr GEORGE - Which you referred to for next year, in March?

Mr DONALD - I will also add, the port master plan process that we announced in August 2018 was a significant one because TasPorts had never undertaken a port master planning process prior to that. So it took us two-and-a-half years to do it. It was a significant activity. We're not anticipating that it's going to take two-and-a-half years to do this time, because a lot of the work that we've done previously will require a simple update and a check and a review, but there are some additional challenges and questions that we'll be looking at like rationalisation of assets. I just want the community to understand it's not going to be a three or six-month exercise; it's certainly not going to be a two-and-a-half year exercise either. It will be somewhere in between.

Ms DOW - Will the community be consulted?

Mr DONALD - Absolutely.

Prof RAZAY - With the new restructuring of the berth in Devonport, what's the maximum capacity it can take on? Is it, was it like 190 metres, because sometimes I wonder whether you can take even bigger ships. You know, some cruises - they're 300 metres sometimes. Can we take that into the future?

Mr DONALD - In Devonport?

Prof RAZAY - Yes.

Mr DONALD - No, not in Devonport. If you're referring to the wharf that we constructed for TT-Line, I think the maximum length - correct me if I'm wrong, Captain, is 212 meters.

Mr WALL - That's right.

Mr DONALD - There will be no extension to the wharf or the ability for us to service larger vessels than that in the Devonport river. Happy for Captain to make a comment.

Mr WALL - The swinging circle, the actual physical size of the harbour in itself where the vessels are turned, that is the limitation. So 300 metres will not work.

Mr JAENSCH - Through you minister, to the chair and CEO: you mentioned the Devonport Airport in answer to a recent question. Can you please speak to the recent new agreement with Qantas for that airport and its significance for capacity, load factor and flight scheduling for the north-west from that port?

Mr DONALD - Thank you for the question. Pleasingly, we recently announced a three-year aeronautical services agreement with Qantas at Devonport Airport. We are relatively well connected in the aviation industry as well as ports because of our ownership of Devonport

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Airport. We equally understand that there are quite a number of airports around the country that don't have agreements with their airlines. We're very proud of the fact that we were able to achieve that with Qantas, in a very prompt and efficient manner.

That enables us to work through with Qantas what I believe is more important, which is: how are we going to work together to attract higher passenger numbers in and out of our airport? How are we going to do that? We're going to work through relationships that we have with tourism bodies, both the regional ones and also through Tourism Tasmania, and of course, some of the reach that the airline, Qantas, has itself, and seek to increase numbers.

Mr JAENSCH - Has the move to the large-capacity aircraft changed the flight scheduling?

Mr DONALD - Yes, it has slightly. I think there's a reduction in flight numbers, but overall passenger numbers are higher.

Mr JAENSCH - In terms of the markets that move through the airport, which is more important?

Mr DONALD - Having the larger - probably different people would have a different answer to that question. As the CEO, I would say the QF400 provides us with additional capacity and a path for growth, whereas the smaller aircraft - and some passengers loved the smaller aircraft, it's a unique experience - but some really enjoy the larger aircraft, the newer, more contemporary aircraft. As the CEO of the airport, I would say the larger one is better because we can continue to build capacity into the future.

Ms DOW - Thank you, Chair. Minister, in December 2024 TasPorts announced a vision for a renewable energy hub and an offshore wind servicing facility at Bell Bay Port. My understanding was that there was to be a business case undertaken and completed by mid-2025. The performance agreement that TasPorts signs with you as part of your corporate statement of intent outlines that as well. Where is that at? This is obviously an opportunity for growth for TasPorts and to create more revenue and do something really great for the north that will drive economic activity. It seems to have fallen away and gone very quiet. Can you give us an update?

Mr VINCENT - I certainly can. I will ask the CEO to give a more definite update. It's a fairly large area there that needs some work to take advantage of the large area there at Bell Bay. I have been up to have a look across that area. Anthony, would you like to expand on where you are with that now?

Mr DONALD - I certainly can, and thank you for the question. We refer to it as the BRET project - the Bell Bay Renewable Energy Terminal project. We've been in discussion with possible wind farm proponents for around three years now, and initially we were tracking and liaising with about 14. I think the number is probably reduced somewhat; however, the value of the interactions is increasing. What do I mean by that? The input we're getting from proponents around the landside infrastructure required to support their processes continues to evolve. When we made the statement last December, of course we would have loved to have been in a position to finalise a business case and start reclaiming land, but of course we're only going to do that after we can solidify investment and demonstrate that there is a positive return on investment. We need to move at the same pace of the wind farm proponents, so we are moving at the same pace of the wind farm proponents. I'm incredibly optimistic that this will

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happen for Tasmania and for southern Australia, and it will be a phenomenal outcome for TasPorts and Tasmania more generally.

Ms DOW - Thank you. I guess the question is when, and what needs to line up now for you, particularly from a financial point of view? What sort of level of investment is required for TasPorts to fill this space?

Mr DONALD - It's a little bit like the chicken or the egg and we need some, if I can use the term, 'concrete' commitments from some of the proponents around licence areas where they're committing. They've got their own investment funding decisions to make; when we get clarity around that we will be moving very quickly.

Ms DOW - You haven't set yourself a timeframe then that you won't pursue that project? Is it just going to be left open? Is there someone dedicated within your team that's working on that and progressing that?

Mr DONALD - We have a dedicated team working through that at the moment. We've scoped out all the elements that we need to progress as part of a business case; it's quite an involved process. As an example, it will require a detailed geotechnical investigation to be undertaken. That, of course, is going to be quite expensive in itself and we need to make sure that we have a really strong path of either funding injection, or the ability for us to self-fund. We're certainly not looking at that at this point in time and we're optimistic about funding opportunities from government.

Ms DOW - So, you have sought funding from the government?

Mr DONALD - No, I didn't say that.

Ms DOW - Just clarifying.

Mr DONALD - We are aware of a number of opportunities within federal government. There are federal government opportunities for renewable energy investments and we know that there are at least two other ports around the country that have been successful in getting funding injections for port infrastructure upgrades to -

Ms DOW - Minister, can you tell the committee which ports they are?

Mr DONALD - I might take that on notice and just double check before I announce it, just to be fair to my colleague CEOs on the Ports Australia Board. But we are supremely confident and optimistic that we will have a very good opportunity for investment which will enable us to commence our business case.

Mr VINCENT - Some of those discussions are also around decommissioning of fossil fuel things in Bass Strait as well, so there are ongoing discussions right through at the moment.

CHAIR - Minister, there's quite a lead-in to this so just bear with me. In parliament, the Minister for Macquarie Point Urban Renewal twice referenced the Macquarie Point site as twice the size of the MCG to dismiss concerns regarding a stadium fitting on it and to highlight development potential.

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Under questioning in Estimates, a senior public servant responsible for writing that claim for the minister, admitted it included the TasPorts Macquarie Point site in its calculations. Meanwhile, the government's response to the Tasmanian Planning Commission's recommendation that the stadium is not built identifies a significant portion of TasPorts land as the port commercial zone earmarked for redevelopment. I'm coming to the question.

Parallel, the government's intention for the Macquarie Point Development Commission to borrow at least \$490.7 million to build the stadium and to pay down the debt through development of the broader precinct. The government's response document says:

The government's intention is for the debt to be paid down by MPDC over time as commercial opportunities are realised across the broader precinct.

In this context, does TasPorts consider itself to be part of the Macquarie Point site? Would you be content to see earnings generated from development on TasPorts land to be used to pay down Macquarie Point stadium debt?

Mr VINCENT - I'd certainly asked for the Chair or the CEO to expand on this. We did touch on a bit of this yesterday during discussions and do you want to, Chair?

Mr McCANN - Our charter requires us to operate a commercial enterprise, but we are 100 per cent owned by the state and our attitude is the state should come first as long as we can satisfy our own commercial objectives. I will let the CEO answer this in more detail, but there have been ongoing meetings between Ports and the stadium around operational matters, which you'd expect now we're butting up against each other's boundaries. You would expect there would be operational issues.

More recently, we've had very high-level - one discussion between chairs and CEOs about working together to create a precinct. We're very interested in those discussions, because not only would it be good for the precinct, it'd be good for the state, it would be good for TasPorts - because we've got land that is basically unused, and if there was a stadium, then there could be other facilities that wouldn't be necessarily appropriate on stadium land, but it would on TasPorts.

That's the spirit of cooperation that exists. Where you end up in terms of the proceeds and the profits from any of those sorts of facilities hasn't yet been discussed. If it's our land, obviously we would like to generate a return, but we will always take directions from the ministers, at the end of the day, as to what the shareholders would prefer.

I can pass now to the CEO, if you've got anything more to add to that?

Mr DONALD - Thank you, Chair. We've been working very closely with Macquarie Point Development Corporation for some time. I'm sure the committee would be aware that Mac Point has released a whole-of-precinct master plan, which we had absolute input into. The references to the port commercial zone within that precinct plan directly inputs from us. The references that the Chair has made to underutilised land really are around opportunities for road and pedestrian connectivity back through the stadium area, through the port commercial zone, connecting up into the Hobart waterfront.

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The lines on drawings that reflect building opportunities in that port commercial zone have been influenced by the planning expectations and certainly some of the heritage input from Hobart City Council and advisors, and we expect that it reflects what would be an opportunity for us to continue to work together to achieve the best possible outcome for the state.

Our interface meetings with Mac Point will continue through the various design process but also construction. As we build Macquarie 6 and should they be building a stadium, there will be interface meetings around arrival and storage of construction materials. I'm sure there will be opportunities for us to support the landing of particular components for construction of the stadium on our wharf, as an example. And, of course, the operational interface between the working stadium and the working port needs to be considered and managed appropriately, particularly when we have cruise ships and any large campaigns of forestry exports, as an example.

CHAIR - I suppose the question, really, coming from the Chair's response - if the stadium is built then it would open up land, but you need a stadium to be built to open that land up to access the land. You said if a stadium were built - the Chair, rather than the CEO, but - I mean, you don't need a stadium - I will put it to you that you don't need a stadium to be built to access or mobilise unused land.

Mr DONALD - That's correct. Our precinct planning, again, that's reflected in Macquarie Point's precinct plan, reflects how we would seek to develop the land. It is cognizant of the designs of the stadium and hasn't been done - we haven't gone about looking at what the design looks like without the stadium. However, I would say that our plans for the port commercial zone started well before the stadium design did -

CHAIR - I would hope so.

Mr DONALD - And so, would I anticipate modifications to those lines on drawings? Maybe, maybe not.

CHAIR - I will go to Prof Razay in a moment, but I suppose the question is: do you have concerns around TasPorts having any responsibility with the debt incurred, or any sort of transfer of debt to TasPorts if it's considered as part of that overall zone and plan?

Mr DONALD - I would say that there's been no discussions with me on that topic.

Prof RAZAY - Cruise ships have become a major boost for tourism around the world; it brings hundreds of thousands of people to our major cities, desperately needing the tourists. Can you update us about how many cruise ships we are expecting this summer? We know that they stop in Burnie and Hobart. Do they stop in other places like King Island and Port Arthur sometimes? What is TasPorts doing to attract even more cruise ships to our island?

Mr VINCENT - I will start off on that, just from the period that we've just reported on is the 2024-25, which was a fantastic year with 131. It was interesting to see a bit of split on that. There were 84 into Hobart; there were 16 for Burnie; even Port Arthur had 18 call in there; Coles Bay is classed as scenic cruising, I think, and I've done that myself, being a much smaller craft; a couple called into Bell Bay; one at Stanley; and there were a couple at King Island as well. I will let the CEO explain - we are seeing a slight decline this year because of pressures

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from the conflict in the Red Sea. With that, I might just hand over to Anthony to explain that a little bit more. I believe it's a temporary readjusting of the some of the cruise ship owners and hopefully that will revert back in years to come.

Mr DONALD - We are seeing a reduction this season. We had a cruise ship visit Hobart overnight last night, and it would have departed this morning. I think we're down to 103 cruise ships for this season and that is absolutely influenced by the conflict in the Red Sea, and the need for the cruise ships to take a longer path to come down into the Southern Hemisphere.

We anticipate, in any discussions with our cruise customers that that will continue for a couple of years. They may elect to make a decision to more permanently relocate some of their vessels into the Southern Hemisphere, so they don't need to make the long path around.

We also know that there are more than 60 brand new cruise vessels currently in construction, which again, gives us confidence that globally the market is strong, that the industry continues to see growth. Our forecast numbers from our cruise line customers indicate that for the next two-to-three years we will see the reduction continue, but then it will bounce back.

Prof RAZAY - Some of the cruise ships are enormous that they are building now - are our ports actually capable of taking on even bigger ones?

Mr DONALD - The Port of Hobart having a long continuous wharf and quite a deep berth pocket is capable of hosting very large cruise ships. However, the largest cruise vessels currently being constructed are Oasis Max-class vessels - we're talking about 400 metres long. If everyone understands that the deck of the MCG is I think 220 metres long, that gives you an indication to the size of these vessels. I don't anticipate that they will be calling into Hobart - it would be wonderful to see, of course. We would work with looking at the configuration of cruise vessels that call, obviously the availability and capability of our wharf infrastructure, the safety of the movements from a safe navigation perspective is incredibly important for us to understand and consider.

We know our cruise lines really enjoy Tasmania because we have multiple points of entry. We get regular positive feedback on the passenger experience, and I know the Port of Burnie features prominently in feedback, and a reflection on a former mayor who I think commenced the tradition of welcoming -

Ms DOW - No, it wasn't me, it was Alvwyn. I can't take the credit; I'm not like that.

Mr DONALD - Okay. You certainly continued to welcome cruise passengers in Burnie at visit, and that is continuing today. The current Burnie mayor is continuing with that tradition, and that receives exceptional feedback from international visitors, which is awesome.

CHAIR - Professor Razay, do you have a second question?

Prof RAZAY - Just let me know when they come to Bell Bay.

Mr FAIRS - To the chair, if I may. I'd like to talk about my electorate and find out a bit about my electorate of Bass and the Flinders Island community and the support that you're giving Flinders, if you can?

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Mr McCANN - I will let the CEO answer that.

Mr DONALD - We've recently upgraded the cattle yard loading ramps. I was on the island last week and had a look at that firsthand. Feedback from customers is extremely positive. The safety, the welfare of the animals, but just the efficiency is incredibly important.

We continue to strengthen our relationship on the island with our customers and have a close working relationship with the council. Flinders Island - you know, we're not talking about large freight volumes, but it's an incredibly vital connection that we facilitate, again, with our shipping line customers. The teamwork and the coordination that goes into managing that is vital for the island, both from a livability perspective but also promoting and supporting tourism opportunities.

Flinders Island is unique in some ways, because you can use one of the shipping lines to take your vehicle over as opposed to using just aviation as on King Island. That is, I think, positively received by the island, and we will continue to support that with our customers.

Mr FAIRS - Great to hear, thank you.

Mr McCANN - If I could clarify, too: the Port of Launceston is not our responsibility. I think it falls under Department of State Growth, is that right?

Mr DONALD - Well, the river.

Mr McCANN - The river itself, yes.

Ms DOW - I will continue on around Macquarie Point. The CEO spoke a little bit before about the operations of the site, and how you're confident that you can work with all parties to achieve that in the instance of, obviously, during the construction of a stadium, but ongoing. Will there be a joint operational plan between entities, for example, if there are major events on at the stadium, and how that will impact on the operations of the port?

Mr DONALD - There certainly will.

Ms DOW - Has any thought been put into that yet, or you're obviously waiting for confirmation around the building of the stadium?

Mr DONALD - I suppose we're at the early phase. We have weekly coordination meetings at a senior management level. They have been really around planning and coordination meetings. The reference that the Chair made to the meeting between the CEOs and the chairs - we started, of course, to talk about the management of construction and the management of the ongoing operation, and the need for us to establish forums like we have in place for the planning. That will continue, because we need to continue to work together.

Ms DOW - Do you have any concerns about the construction of the Northern Access Road and progress being made on that? Obviously it's been around for a while, the concept, through the City Deal I believe, but are you confident that things are progressing and that you will have good adequate input into that project?

Mr DONALD - I certainly am. Yes, very confident.

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Ms DOW - There's been a lot said about the cost that it would be maintained for the new *Spirit* vessels to be berthed here in Tasmania. You spoke before about the fact that you wanted to see materials or components stored at the Hobart wharf. Would you be charging the Macquarie Point Corporation for that storage, or would that be gratis?

Mr DONALD - We will absolutely be charging, as we did with the Bridgewater Bridge project.

Ms DOW - Do you see that as a revenue?

Mr DONALD - Yes.

Ms DOW - I want to take you now to King Island. Minister, there's been a study that's been undertaken around the Grassy port. It was committed at the 2024 election. My understanding is that feasibility report has been completed. Will you table that report today during GBE hearings?

Mr VINCENT - We've still got to work through that report. We've just received it and haven't worked through the full content of it yet, so unable to table it at this stage.

I've just been told by the CEO we can table the report. We haven't worked through the various options in the report yet, but it is available for being tabled. Thank you.

Ms DOW - Great. When do you expect work to commence on those recommendations and some timeframes?

Mr VINCENT - Part of what I've seen so far, and I'm still working through it, is some work that has already been undertaken, or is in progress in thought with TasPorts. There are a few other things. It gives various options, so we will work our way through that. There's some financial considerations that I need to take to Cabinet for due consideration before that. We will be doing that as quickly as we can, though, so anything that does need to be brought forward into the budget in May, I personally like to think we can work through that with TasPorts to have a sensible way forward with some of those programs. I'm just not sure which options at this stage until we look at it a bit more closely.

CHAIR - Minister, I return to Macquarie Point, and I want to ask the CEO if there are agreements between TasPorts and MPDC or the Tasmanian government for the transfer of land or the transfer of financial returns from the development? Has there been anything that has been put in place as yet?

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

CHAIR - So, you haven't had any correspondence, but has there been any discussion around transfer of land?

Mr DONALD - I mentioned in the hearing yesterday that I'm aware of a 200 square metre area of land where there's a modification of land ownership, that is, the property boundary. Of course, there's some documentation associated with that. There's certainly no correspondence that I'm aware of about proceeds or revenue.

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CHAIR - That's a significant amount of land. What does it entail? Is it -

Mr DONALD - I would describe it as a slither of land. My understanding is that it's a corner that has been - and I might be corrected if I get this wrong - but our land ownership is quite staggered. It's almost like a sawtooth and we've cut off a corner so that pedestrian movements can be accommodated more broadly.

CHAIR - In relation -

Mr DONALD - Sorry, I should also say that that land, because it was irregular in nature provided no benefit to TasPorts.

CHAIR - Can that information be tabled?

Mr DONALD - Yes, more than happy to provide that.

CHAIR - Thank you. In relation to the Northern Access Road, it's a critical piece for TasPorts, but I don't think it's mentioned in your annual report. How can such an essential piece of infrastructure not be mentioned for the future development of that site for you?

Mr DONALD - That infrastructure is being provided by the government, by the Department of State Growth.

CHAIR - I think it's part of their urban congestion fund.

Mr DONALD - Yes, and was announced, I think, in the Budget recently. Yes.

CHAIR - But, no reference in the report?

Mr DONALD - No.

CHAIR - It seems like a big thing to miss out really. I know you're not funding it, but surely, it's something which is critical as part of your infrastructure delivery?

Mr DONALD - I suppose we haven't taken a position to note all the interface infrastructure connections in our annual report with others. I take your point and completely agree it's a really important interface connection and it's vital to the ongoing operation and management of the port and our customers are incredibly positive of the government's announcement.

CHAIR - Thank you.

Prof RAZAY - I would like to ask about Flinders Island and it also applies to King Island. Sometimes during drought our farmers really struggle and that means we need more shipping, water, more trailers, more feeding. As a state-owned organisation, do you give special treatment to our farmers when they are feeling it tough during a drought?

Mr VINCENT - I will ask the CEO to answer this because we have a recent example in which that work was done.

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Mr DONALD - We certainly have. We've worked with the state to provide discounted charges associated with the movement of hay, as an example, during challenging periods. We conducted that with our vessel, the *John Duigan*, through our Bass Island Line service to King Island. We would absolutely support the same with the ship movements that we don't directly manage - it's [inaudible] to Flinders Island. We're very sympathetic to the plight of our farmers when they're experiencing some of those challenging periods.

Mr JAENSCH - Chair, through the minister, again. I will drag you back up to the north-west, to Devonport. We understand that recently TasPorts has received environmental approval for a major dredging operation in the Mersey. Could you please tell us when this is likely to be underway and how long it will take? Is this part of a routine maintenance process or is it a major one-off episode of dredging?

Mr DONALD - We're planning to commence dredging in February. It's slightly later than we were anticipating. Our contractor had a fault with one of their vessels - I think a breakdown - that they're currently repairing. We're expecting it to commence in February. It is part of a longer-term dredging program. We're pleased to be able to announce that we achieved a 10-year Commonwealth permit, which a number of ports around the country struggle to achieve. It's a testament to the way that we've engaged with the community, with environmental groups, with regulators to conduct the appropriate planning, investigations, and then implementation of the dredging. We are custodians of our ports around the state, and we take that responsibility not lightly. Making sure that we're being responsible is second to none. Having the support of a technical advisory committee has been exceptional.

Mr JAENSCH - Does this replace a previous approval for an earlier program of work?

Mr DONALD - It does, but we've never had a 10-year approval. Every time we went to dredge, we would have to get an approval for the campaign. We know Devonport's river will silt up. We have the historical records; we know how often the Port of Devonport used to dredge. We know how often TasPorts has dredged. We know that we monitor it regularly, so having a 10-year permit is brilliant because it gives us the ability to not have to continue to invest and undertake all the repeated investigations. We can continue to implement it as required.

Mr JAENSCH - Is this related in anyway to the new *Spirit* vessels and the new SeaRoad vessels, which are larger?

Mr DONALD - No. The dredging that was completed last year enables the arrival of the new vessels. The dredging that we're planning to do is in addition to that and it's part of our normal maintenance.

Ms DOW - There has been a lot said recently, minister, about the - another stuff-up, frankly - about the fenders for the new *Spirit* vessels. The new board of TT-Line has indicated that the previous board of TT-Line didn't take on the advice that TasPorts provided to them back in 2023 about the specs for the new ships and then disregarded that. I wanted you to confirm today that that is correct, and if you could table any correspondence that was exchanged between the two parties to substantiate that.

Mr McCANN - I'm not sure if I would explain it or characterise it as advice we gave. I think it was questions we raised. Is that fairer to say?

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Mr DONALD - Yes.

Mr McCANN - If you could pick it up from there, please.

Mr DONALD - As part of our design of the original wharf, we have a functional user requirements document, which is essentially the agreed specifications to which we will design and build our infrastructure to. During the development of that document, we questioned TT-Line about some of the numbers that they were providing us, in relation to the maximum allowable hull and sponson pressure of the vessel. Now, that's important for us to understand as we design the fenders.

The fenders are big rubber stoppers essentially, which work hand-in-hand with the design of the vessel, to make sure that the vessel can berth safely without damaging either the wharf or the vessel. We challenged, we questioned some of those numbers. We provided a lot of information through the Public Accounts Committee - I'm very happy to provide additional and numerous emails and correspondence back and forth. Ultimately, TT-Line refused our request for us to meet directly with the shipping line to validate either our concerns or otherwise. I should say, there are operational considerations that TT-Line could have made and/or risk decisions they could have made to accommodate some of the numbers that they were telling us - we just thought that we should ask the questions.

Moving forward, we built to the specifications that were advised. Beyond that, the committee might recall that the government provided us with a ministerial direction to work through contingency berth options for berth 1, and during that process, again we worked through with TT-Line the functional user requirements for fenders required to support the *Spirit of Tasmania*, spot 4 at berth 1. Again, we found that the numbers that were being provided were perhaps different again and caused us some concerns. We again asked TT-Line to validate and we asked again for access to the shipyard and that was refused.

Ms DOW - Through you, minister. Did you report that to the responsible shareholder minister at the time?

Mr DONALD - At that point in time, there was a series of governance coordination meetings in place: one being a steering committee chaired by the Department of State Growth and another one which is a Cabinet subcommittee. Both forums had those issues identified.

Ms DOW - So, you would say, through you, minister, that the government was aware of that at the time?

Mr DONALD - Our concerns, yes.

Ms DOW - Through you, minister, what was their response?

Mr DONALD - TT-Line's response -

Ms DOW - No, the government's response. Sorry, through you, minister.

Mr DONALD - I think the other government was - from my perspective, the government was appropriately concerned and encouraged TT-Line to investigate and confirm their requirements.

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Ms DOW - Through you, minister, did they do that?

CHAIR - Last one.

Mr DONALD - That was validated through a part of the steering committee, and parts of the steering committee that the Department of State Growth chair, TasPorts was not present at. Some of the discussions within that coordination forum were around TT-Line commerciality and so I wasn't privy to all the discussions in that forum, but I know that the action was closed out.

We then moved forward, and we had a new CEO in TT-Line commence, and those concerns again were raised with him. He's conducted his own investigations within the organisation and advised and requested that we provide support in augmenting the fender design at berth 3. So, essentially, you may say he has agreed with us.

We are now working through the final stages of a design of some modifications to the fenders. So we're not saying we're going to rip out the brand-new ones that we had installed by June last year. We're going to supplement them with some additional ones - I believe is the design solution. We will be placing orders shortly and absolutely commit that these will be well and truly in place ahead of any arrival of vessel.

Ms DOW - Just to close this off -

CHAIR - Close it, okay.

Ms DOW - The additional funds that have been wasted as part of this sheer incompetence again could have been avoided if the government had listened to your advice at the time.

Mr DONALD - I wouldn't describe it that way. TT-Line had options, and they were aware of our feedback and concerns. We respected their decisions. We are not the owner and operator of the vessel. However, there are ways that they could have accommodated it from a berthing perspective. It wouldn't have been ideal, but it wasn't impossible.

Where the new CEO has landed is the right outcome from a Port CEO's perspective. Whilst we own and operate shipping line in Bass Island, I don't profess to understand all the considerations that TT-Line would need to undertake. However, I would say that is not an ideal circumstance and I'm sure when you read through the correspondence, you'll form your view.

Mr JAENSCH - Chair, could I, on a point of order, Ms Dow asked questions and requested correspondence between TasPorts and TT-Line on the matter of fenders and technical specifications, then later characterised it as government decision-making.

Ms DOW - I am just trying to understand the chain of events.

CHAIR - Your point, Mr Jaensch?

Mr JAENSCH - I think that she's asking for information about decisions made by TT-Line then characterising that as government decision-making.

CHAIR - You've made your point. We'll continue.

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Through you, minister, I'm still trying to get to the nub of the Northern Access Road. I know it's not your project, but it's considerably important in the functioning of the Hobart Wharf. I'm curious to know if TasPorts has had any input into proposed design of the Northern Access Road.

Mr DONALD - I will have to take that one on notice, but my understanding is the answer is, yes.

CHAIR - You seriously don't know the answer?

Mr DONALD - I know there's been a number of established meetings. I'm not sure exactly what stage the design is at. We have had preliminary input into the design, but, as I sit here today, I'm not across the current status of the design, given the project has only recently been announced.

CHAIR - Given the road - there's problems getting under the bridge, as I understand, for some of the freight likely to come in and vehicles coming into the port. How are you working around that as part of that design work?

Mr DONALD - That's a matter for the Department of State Growth. There's a range of different options that they have available for that.

CHAIR - It would be terrible to spend a lot of money on a road and not get the appropriate use out of that.

Mr DONALD - No, we agree and I'm absolutely supremely confident that the department is fully aware of the need for heavy vehicles to enter the port.

CHAIR - This will be my last question on this. In relation to the timeline, given you have significant projects like berth 6, what is your understanding of the timeline for delivery of that project, with or without a stadium?

Mr DONALD - I would anticipate that - I actually don't know the specific timeframe associated with the delivery, given the announcement really has only just been made.

CHAIR - To be fair, the Northern Access Road was considered as part of the City Deal, and we keep hearing in parliament this is referred to. I don't understand, and maybe it's to you, minister, why is this important piece of infrastructure taking so long?

Mr VINCENT - Yes, I think we've heard through budget Estimates from Ben Moloney about the complications of the design and making sure that it fitted with people like TasPorts for the future use. It's an important piece of work and that design work is still working, close to finalisation but that will be available as soon as it's been finished by DSG.

CHAIR - Okay. You will take on notice the information if there's correspondence in relation to the Northern Access Road? Thank you, very much.

Prof Razay, do you have a question?

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Prof RAZAY - Thank you. We heard this morning that you had a really detailed inspection of your wharf infrastructure, which is so important considering it's so old. Has there been in the past - you identified the issue in which it led to the restriction of your activity, for example, like a restriction on the load for the ships?

Mr DONALD - Yes, absolutely. The example I'd use is Macquarie 6 in Hobart. So, a structure that approached and reached its end of life, and we implemented a 5 kPa, which is essentially a load limit on the wharf deck, and that's why we implemented an arrangement with the Australian Antarctic Division for a layout berth. At Macquarie 6, when they use that wharf, they are unable to use it for loading and unloading - it's pedestrian access only, essentially. Again, that's why we're going to be building a brand new wharf.

Prof RAZAY - Do we have strategic planning for the next few years about what we might expect and what we might need to be updated and upgraded?

Mr DONALD - Yes. So, every asset, including all our wharfs, are broken down into their various components, and every component has an attached condition rating. The condition assessment tool is governed by a document called WSCAM - it's an acronym; that's a Ports Australia document supported by PIANC, which is an international body for maritime structures. Every component is given a rating between one and seven - one being brand new; so the wharf at Devonport 3 would be rated as number one, the wharf at Macquarie 6 would be rated as number seven. Every component is assigned a rating, and then the structure is modelled and, through our asset management plans, we look at what are the interventions, what are the maintenance activities we can implement to either reinstate condition or slow down deterioration, as an example. It's a lot of what you think about the component - so a pile or a fender beam, and there are hundreds and hundreds of components in every structure. We're talking about thousands of line items.

Prof RAZAY - It's nice to hear you have such a detailed assessment because safety is so essential in shipping.

Mr DONALD - Yes, and it could be one bolt, on one fender that becomes the issue.

Mr VINCENT - I think the other interesting fact is the technology - how it's changed in recent years for monitoring some of these things. I'm noticing it even with our bridge structures that the devices and the technology is changing enormously from vibration metres to drones for underwater and above to all sorts of density testing that wasn't available some years ago. It is making the reports a lot more accurate, or if you identify an issue a lot more accurately, you're able to do that extra body of work.

Prof RAZAY - That way we can prevent problems in the future too.

Mr DONALD - Yes, and while we will continue to investigate and invest in concrete rehabilitation, just to extend the life of our assets.

Mr FAIRS - Thank you, Chair. TasPorts recently announced an MOU with hydrogen developer H2U. What does it mean for the northern region in layman's terms?

Mr DONALD - Thank you for the question. That's in relation to an opportunity to work together and examine export opportunities for that customer, which will also benefit the Port

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of Burnie. It's part of our renewable energy program of work. We'd like to think that it will be the first of many different opportunities for Tasmania and for TasPorts to support a really interesting program of work. I think it will also continue to evolve, not just around Burnie, but Bell Bay.

Mr FAIRS - Thank you.

Ms DOW - Are you confident that there are no issues with the sea trials that have been conducted around the berthing of the new *Spirits*?

Mr DONALD - If I may, I might ask our harbour master, Captain Mick Wall, to answer that question.

Mr WALL - Thank you for the question. The sea trials for the new *Spirits* that were conducted in Finland, are those the ones you're referring to?

Ms DOW - Yes, their ability to berth in Devonport.

Mr WALL - With the sea trials data, which was received after the actual physical trials were done in Finland, that data was fed back into the marine simulator in Legana that we're using for the testing. The ship model data was the most modern and the most up to date that we could use. That update has been done and in conjunction with *Spirit of Tasmania* and TT-Line, we'll be conducting some more simulation training. I am confident at the moment we've done enough. I personally observed the ship when it's been in and out of Hobart. I was fortunate enough to go to Geelong onboard it as well and the vessel handles fantastically. It is brilliant. So I'm totally confident that the vessel will handle well. I'm also confident that the ship model we're using in the simulator for the masters and the deck officers' training and marine pilots' training is world class.

Ms DOW - TasPorts hasn't raised any concerns about this aspect of the project with TT-Line or with the respective shareholder ministers?

Mr DONALD - No.

Ms DOW - And there are no issues with tide levels or the sewer line that runs through the Mersey or anything like that?

Mr WALL - The sewer line, as we know, has been there for a long time and there are no issues with that with a navigable depth above the same and the dredging program that Anthony was talking about previously. That will maintain the safe operational depth into and out of Devonport for the new ships.

Ms DOW - There are no issues with clearance?

Mr WALL - No, I'm satisfied.

Ms DOW - I might take you now then to the building of the gantry and ask TasPorts if you've had input into the gantry aspect of the development. Can you confirm that that's correct?

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Mr DONALD - We've had input into, I think, the methodology associated with erection of the gantry and our harbour master, in coordination with TT-Line's contractor, around safe navigation, placement of barges and the timing of such.

Ms DOW - Do you have any concerns or issues about that?

Mr WALL - No, I don't. The specialist vessel bringing in those components is one which we've worked with before. The placement of that vessel onto the berth to allow the components to be lifted off into place, I don't have any issues with. It's being planned very thoroughly and diligently. The placement of the existing barges which are being used to support the gantry project and the ramp project, we can safely place them in other parts, in other berths in Devonport while that vessel's in place, and that work, I believe, is on track for early next year. We've assessed that and just any ongoing updates with ETA's of the vessels, estimated times of when it's going to come in, that's all in hand.

Ms DOW - You won't need to bring any additional skills or expertise on site to help assist with that or manage that process?

Mr DONALD - No, not that I'm aware of, and the heavy lift vessels themselves, their ships' crews are very well practised with what they do, so from purely a marine safety point of view, I have no other issues with it.

CHAIR - Minister, I have a question through you possibly. The Tasmanian Planning Commission in its report on the stadium expressed the view that the traffic and vehicle parking facilities connected with wharfs 2 and 3 used for cruise ships would be limited or unavailable during peak times. I am wondering how that is likely - it's a scenario presently - but how would that impact on how you plan to operate the area during those times?

Mr DONALD - Certainly car parking, road traffic movements, pedestrian movements, all will form part of our planning and then construction. Then operational coordination meetings, particularly when we take into account not just construction but operation; we need to make sure that we will have available space and car parking, as an example, to operate our ports and make sure that whether or not there's part of our parking that remains secured, I'm sure we will be able to accommodate those.

CHAIR - I'm curious to know the discussions you might have had with MPDC or the government in relation to safe pedestrian movements. I know that there have been some modifications already for cruise ships, but particularly around the Evans Street side and coming off Mac wharf.

Mr DONALD - I haven't been privy to all the coordination meetings. What I would say is that that's something that I would expect will continue to evolve over the coming time. There's been some modelling undertaken by Macquarie Point Development Corporation around their precinct. We need to expand on that and take that through what I would describe as the pedestrian journey through the precinct, and then through ours, into the Hobart waterfront.

We will then model that against some of the other known events that we host and support, such as the Taste Festival, or the Wooden Boat Festival, or cruise ships to make sure that we're planning appropriately for our infrastructure, whether that be through adopting consistent

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naming conventions, style guides for way-finding signage, operational controls that we might put in place, such as we do today for the sort of arrival and management of cruise passengers walking through the Hobart waterfront. We will do that in coordination with the Macquarie Point Development Corporation, the Department of State Growth, and of course Hobart City Council.

CHAIR - I believe that part of the \$188 million for the Antarctic berth upgrades, there was an agreement with funding attached between the state and federal government for urban renewal of the Macquarie Point area, including wharf 6. What's your current understanding of how this will affect the redevelopment of wharf 6 and those principles of good access or whatever?

Mr DONALD - I'm not anticipating that they will influence wharf 6 at all. We have a port secure zone today; largely other than the 200-metre sort of square metre sliver that I described earlier, the port secure zone will remain intact. The urban renewal opportunities are for Macquarie Point Development Corporation to work through.

CHAIR - There's not any obligation with that federal funding to -

Mr DONALD - Not to TasPorts.

CHAIR - Not to TasPorts? Thank you.

Mr VINCENT - In relation to Ms Dow's question earlier on, I would like to table the Burbury report into the Grassy infrastructure and operational review as well as the stakeholder and community consultation summary.

Prof RAZAY - Through you, minister, to the CEO: there has been major advancement in the technology dealing with movement of containers in port. How are you advancing with that? That's very relevant, especially most of our ports are also near our city centre and bringing so many trucks, so any way that can facilitate the movement of trucks and movement of containers is the most economic one.

Mr DONALD - Certainly. Thank you for the question. There are four locations around the state where containers move in and out of Tasmania. Three of those are what we would describe as roll-on-roll-off operations. Strait Link, SeaRoad and TT-Line have a roll-on-roll-off operation where the containers are essentially on trailers and move on and off on a ramp, thus the roll on, roll off. Then we have an international operation out of the port of Bell Bay, and we continue to see growing numbers in the port of Bell Bay. You're referencing some of the automation and the technology that globally is becoming absolutely phenomenal. You know the concept of smart ports and driverless technology.

As an example, I was very much a part of the automation project that was implemented at Webb Dock for the Port of Melbourne. I am acutely aware of those opportunities. The challenge for Tasmania becomes the volume of containers to warrant that type of investment. Pleasingly, and I thank you so much for the question, a number of months ago the World Bank released its container port efficiency list for the year, and the Port of Bell Bay was Australia's most efficient container port.

Prof RAZAY - Isn't that great?

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Mr DONALD - So a credit to the cooperation and teamwork of our stevedoring partner in Cube, but also the shipping lines. Our awesome port team has been, without the automation, as assessed by the World Bank, the most efficient port in the country.

CHAIR - We'll hear from Mr Jaensch and then we'll take a short break, like a two or three minute break.

Mr JAENSCH - Through you, minister: could I enquire what TasPorts is doing to support major public events and festivals like the Taste of Summer and the Australian Wooden Boat Festival in those waterfront precincts?

Mr VINCENT - I will certainly let the CEO answer this. I was quite staggered when I took on the ministry at the extent of their involvement with the Wooden Boat Festival, a lot of it quietly, but there is a number of those projects.

Mr DONALD - Some of those events, like the Australian Wooden Boat Festival that occurs every two years, the Taste of Summer that occurs every summer, and the Sydney to Hobart have become a real key feature of Tasmanian events and where we continue to be proud to support them. They generate visitation from not just Tasmanians, but from more abroad - and not limited, but particularly the Australian Wooden Boat Festival where vessels and people come from all over the world every second year and absolutely rave about it.

Our team in Hobart spend a lot of time and effort, so a lot of the support we provide is in-kind and we do, of course, provide some financial support to some of those events, but the more significant contribution is the in-kind one that we provide to support those events.

Mr JAENSCH - Can you give us examples of what the in-kind contributions are?

Mr DONALD - It might be that our management and oversight of the implementation of road closures as an example, or support in erecting structures on our land such as marquees and the use of cranes as an example. There is a number of activities that, as the port owner and operator, that we don't relinquish to others, and so there is always time and effort required from our staff to support those events.

Mr JAENSCH - And maintaining port security and normal port operations at the same time?

Mr DONALD - Yes, absolutely, and we could have 50,000 people across the Hobart waterfront on a big day, which is significant.

The Committee suspended from 10.53 a.m. to 10.58 a.m.

CHAIR - Ms Dow.

Ms DOW - Thank you, Chair. Through you, minister: earlier on we spoke about rationalisation of assets, and I believe you said community service assets. I wanted to ask you a question about the Stanley port. I understand there has been some decommissioning of assets there and removal of some of the asset. What are your future plans for the Stanley port?

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Mr DONALD - We've recently, I think, demolished one of the old sheds, to answer one of your questions, and we're currently working through with government decisions around our investment in the Port of Stanley, which will be quite significant. It's fair to say the Port of Stanley was developed with infrastructure at a time where industry was slightly different. We do have a really important freight customer using a ramp at the moment and we're very mindful of that. There was previously export of other products out of the Port of Stanley that's not continuing today, so there could well be opportunities to rationalise some of the infrastructure, improve amenity and, of course, safety for the community in Stanley. We're working through that at the moment with the Department of State Growth.

Ms DOW - And through you, minister: when do you expect to have that work completed?

Mr DONALD - In terms of the assessment? I would say in the next three to six months.

Ms DOW - And through you, minister: will there be good community consultation around that? It's an important community asset.

Mr DONALD - Absolutely. We are a regular attendee of the chamber at Stanley and so we've got quite a passionate group of people who like attending that forum, which is awesome. We get some great feedback and input. There will be consultation, absolutely without doubt, not just at Stanley but all our community infrastructure.

Mr VINCENT - I might add, I've been down for a meeting and was corralled by a group of very passionate local businesspeople who put forward several ideas and thoughts on it, which was fascinating for me, it being a few years since I was in that area. I might say I immediately contacted TasPorts before I drove out of town, actually, and there was a meeting facilitated on top of other meetings to discuss a few of those things. The feedback from those same people over recent months has been positive towards the communications.

Ms DOW - Minister, did they brief you on their proposal for a marina?

Mr VINCENT - Yes, they certainly did, about the deep ocean marina there. Marinas are something that, quite often, there's private funding around and I think as a whole, my personal opinion is that Tassie's got a great future in being able to take some of those larger yachts that float around, enjoying the different sorts of coastlines. Not that I am an expert in that area, but it seemed to be a very sensible suggestion to understand and have a look at.

Ms DOW - Through you, minister: is that something that's being considered as part of that planning process for the future use of the Stanley port?

Mr DONALD - That would form part of a consideration of the master plan. The current considerations are around the current assets, not future ones.

Ms DOW - Through you, minister: would you expect that will be a part of your master planning process early next year?

Mr DONALD - Yes. So early next year we will be able to provide transparent advice on the timing of the work that we will do in Stanley and any particular timing around consultation with our users and broader community.

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Ms DOW - As part of this process, minister, overall are you looking at an offloading of assets to, for example, local government? I know that was tried by TasPorts at the Port of Strahan, which wasn't successful, and arguably - I'm not speaking on behalf of local government, but they've already got a lot of assets that they need to maintain and depreciate and account for, is that something that's being looked at by the board -

Mr VINCENT - No.

Ms DOW - or have you learned some lessons from the experience at Strahan?

Mr VINCENT - We've certainly learned from lessons there and so has local government in volunteering to put up the hand, I suppose. It's more the rationalisation from what we said, from legacy, from having so many different port agreements in place and, as they come up for renewal, whether we can utilise assets in a certain area of that facility better for the local community, and with decaying assets, whether we have to replace it or how it can be utilised.

To use Stanley as an example, it's only from my very limited knowledge there, the isolation between port activities, fishing activities and then the quarantine and the security around having a marina there would be in separate locations, but still using the same foreshore and area, of course. However, there's different things to be taken into consideration, and that's with quite a few areas around the state. It is quite complex when you get into it, depending on what is presently used for, what it's needed for, the state of the pylons now, the state of possible decay, and whether you need that full facility or not.

CHAIR - Last question.

Ms DOW - On the Stanley wharf, it's been used for years by the community for fishing and there's been some restrictions around that due to safety considerations. As part of your master planning process and the review of your assets there, is that something that you're looking to accommodate again in the future?

Mr VINCENT - TasPorts has been very fair. I haven't seen the details of that master plan yet, but they've been open about all the community assets, having the community involved with utilising those assets, because it's an important part of what they do on a daily basis. You only have to see that interaction, how important the whole waterfront is to Hobart. That's the same in smaller communities. You move around the state, and Strahan was a good example, Stanley's another one, Beauty Point's another one.

CHAIR - Minister, I wanted to turn the discussion to the proposed merger. Clearly, we have moved away from merging TasPorts, TasRail and TT-Line, although I think the CEO did think that that might have been a good idea at the time. Correct me if I'm wrong, but I thought we'd heard last year that you thought that there could be some benefits there. In relation to governance and governance changes that have been brought in, can you talk us through some of those governance changes that have occurred which have been positive or otherwise to the business?

Mr VINCENT - Yes, I could let the chair explain from his point of view, but certainly from mine, GBEs and SOCs have been formed at various points of time for various reasons. So the necessary body of work to align some of the letters of expectation to more modern times than when they were probably formed was an important body of work to do, and is something

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that should be examined on a regular basis, like a constitution where things change and that's what we've seen with a lot.

My thought pattern towards the whole GBE process was also about how we go about interaction from a shareholder minister's point of view. Also, on the way that boards are selected and the fact that we've proven in recent years the importance of having the right blend of people, the right skills matrix on boards. That's an important body of work to take in every time that you're recruiting for rotation of boards. That's been a positive change in the fact that we are a lot more detailed. Boards are now understanding that some people might come on to do a specific job at a certain period of time on that board. It doesn't mean they're there for a full two rotations or whatever the rotation might be for that board. That's something under constant review.

The letters of expectation and the constitutions and other documents that the various GBEs work under at any one time are important to always stay focused on, because they form the basis of what they should be performing to, and we know Tasmania First's ideas around that, but directors also have their training that they need to stay as professional as possible, focused on the company.

To understand that balance between those things is very important and it's been a great opportunity for a refocus to happen and realisation that things have changed from when some of these entities were formed, and that we keep reviewing these on a regular basis. I will ask Greg from a chairman's point of view if he has a different idea.

CHAIR - Before we do that, were you surprised to see the lack of governance when you stepped into your ministerial role?

Mr VINCENT - No. I can honestly say that when I was approached to run for government, it was something that I'd had dealt with through my various roles in local government. I'd been involved with quite a few boards, including TasWater, that were going through similar processes of maturing in their journey. So it was something that I felt from day one that I would have liked to have been involved with and needed to do.

Certainly, when I became a minister, I was able to work a lot closer with both CEOs and chairs - don't have a real lot to do with individual members of the board, but certainly through a lot of communication with the chairs of the ministries that I look after. That's just been a normal process for me. The fact that the government was already looking through those letter expectations and similar documentation was a bonus for me.

Mr McCANN - From a governance point of view within TasPorts, I said yesterday, and I don't say it lightly, I was absolutely thrilled to see the calibre of the rest of the board. Not me, but the rest of the board.

First of all, there are four women and three men. We have people with engineering background, with risk-management, and I'm talking deep, deep risk-management. I won't name names, but the individual is recognised beyond Australia as being one of the best on risk-management.

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We've got Treasury expertise. We've got safety, sustainability expertise. Like the head of sustainable - well the director, who has sustainability expertise, was head of state sustainability for Telstra. I mean, these are seriously qualified people.

We've got financial, we've got technology, major projects, safety. It's a wonderful board to sit across a very complex organisation that is spending a lot of government money and has huge responsibilities in managing risk and safety, et cetera. I didn't realise just how complex the business was.

The first couple of months, there were two directors appointed back in December, another five or four I think, in May. So we took a couple of months to really understand what we have and make an assessment of where things are and where we want to go. We then put in place a process: we work very closely with management, because management has deep corporate knowledge and deep subject matter expertise. We've been working a strategic plan and reviewing it and revising it for the future and everything that underpins that.

You need to have a people and culture and safety plan. That's why Julie Garth is here today, if you would like to ask her more questions on that.

We have Strategic Asset Management Plan. We've talked a lot about that today. Risk management. Financial position, you know, what is our position? What is that potential to service debt? What's that capacity to stay within debt-to-interest ratios? Safety and sustainability, there is a whole raft of different plans that underpin the corporate strategy that we're helping management revise. We've not quite finished that process yet. We're getting very close.

With the new board in place, it's clear that we're entering a period of stronger strategic focus, higher expectations on culture and performance. That's important because our people suffered and they were seriously damaged through all the media and the accusations, et cetera, around QuayLink. I feel deeply that they have unduly suffered. Of course, when you do your pulse surveys, et cetera, you find that morale is low, and Anthony referred to that yesterday. That's why we need to really focus on uplifting the way people feel about how they work. The phrase that we've coined is that we want it to be a safe and brilliant place to work.

There's a lot of emphasis on that and there's a lot more rigorous oversight of long-term planning. I know I'm probably taking a long time to answer this, but this is very important to the board and to the way the board, the business we want, Tasmania wants in the future, and part of that is trying to consolidate and build capability across the leadership team.

We want to see a cultural shift and we're starting to see that shift. Julie, you can talk more on this, but we measure employment engagement and 12 months ago - was it 12 months ago, Julie? - it was 42 per cent and what is it now - the latest, 59 per cent.

CHAIR - You've got a way to go, but it's a good improvement.

Mr McCANN - It's a long way to go. I know it is a government-owned organisation and we are very accountable and we've got to make sure that everything we do - we've got thick skins, but some of our people really take to heart a lot of the criticisms that are levied that in some cases aren't fair. I really wanted to make that point that let's be careful now. Let's not play the man, so to speak, play the ball. I really want to protect our people. One example I heard

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was somebody going into a supermarket with a TasPorts jacket on and being abused. It's just not on. As a group, as a process, let's be very mindful of anything we try to raise doesn't hurt innocent people.

CHAIR - It's good to see that there have been changes or improvements in that space. Where are those other areas that you feel are important to work on? For argument's sake, you've got good gender diversity at the board level, but still there is not a great lot of diversity in the rest of the business.

Mr McCANN - I would like to get Julia Garth to talk to that because that is a major issue for us.

Ms GARTH - If we start off with gender: we're looking at the ELT board general manager and heads of split is 37 per cent split. We know we've got more work to do in that space, but I wanted to provide a little bit of context upfront about where we're currently sitting. We've made a lot of progress currently and we have a really good DNI strategic plan that we commenced in 2024.

If I can talk to some of the progress that we've made because this really speaks to the work that we're doing to increase gender diversity in TasPorts. We have accreditation through Work180, and we're endorsed as an employer for women. That helps us reach a platform to reach for women through our advertising. We've delivered inclusive leadership and unconscious bias training across our business. We've established a D&I working group -

CHAIR - What's D&I?

Ms GARTH - Sorry, Diversity and Inclusion working group. This is involving our team members, now employees, in solutions for TasPorts and what are the initiatives and projects that we can work on to support those things across the business. We have also established women's talking circles so for females in our business, we have support across a number of our divisions.

We've also established a culturally and linguistically diverse employee talking circle for the same reason. Then we've introduced ally sessions. For team members, how do we actually support diverse groups across our business? We also have introduced a cultural immersion program. We are increasing visibility of female leadership; for role models right across the business, supporting others who are coming through and an informal mentoring program within TasPorts.

In terms of recruitment, because we know that's a really important way that we are going to address this over time, we've worked through unbiased shortlisting. We work with diverse panels so we have a good representation on our interview panels and we look at targeted attraction strategies. We've also boosted and looked at how we further support our flexible working practices because we know that's how we can support women in the workforce. That's working really well for us. Then we've updated our policies and procedures, just to embed inclusive language across TasPorts as well.

Speaking to some of the governance: we have strengthened reporting and measurement, so that includes baseline metrics and regular updates through the ELT and the board. It's absolutely a priority and this keeps it top-of-mind and in focus. Then, we celebrate diversity at

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TasPorts, so we have cultural events such as International Women's Day and the NAIDOC week activities.

Finally, probably the other important ones: we have a really strong focus on psychological safety. That's supported through leadership capability uplift, and a care factor training program roll out helping our leaders have these really important and inclusive conversations across the business. Then our onboarding practices also have been uplifted. I know that's a long list of things, but I wanted to bring some flavour to how we are actually bringing this to life and importantly embedding it across TasPorts.

Mr DONALD - Can I possibly ask, Julie, for you to expand on the schools program and the graduate program?

Ms GARTH - Absolutely. This starts at East Devonport Primary School. We had Captain Wall, one of the people from TasPorts, talking to the East Devonport Primary School children about potential opportunities, what we do at TasPorts, 'This is in your backyard,' planting the seeds of work opportunities so our children get an understanding of the flavour of the future that they can have in Tasmania.

We also support going into the high schools and doing the same thing. We're looking at formalising a partnership with Beacon to really bring some structure to what we're doing at the moment. We have offered work-placement and internships; we've had eight of those this year across the state throughout our corporate departments and our marine and operational divisions.

That means bringing children in from whether it is the AMC, the uni or various high schools across the state, and giving them a flavour and some experience of work at TasPorts. This also includes work with Possability Burnie, which is an organisation that supports people with disabilities, helping them get a start and get some experience and confidence in the workplace. We have a number of apprentices - and I just want to call out, because this is a matter of pride for TasPorts, one of our apprentices who just completed last year was awarded Apprentice of the Year on the weekend.

Mr FAIRS - Oh wow, good.

Ms GARTH - He's a really capable young man, but it also speaks to the support that he is provided at TasPorts from his colleagues and peers.

We have apprentices across plumbing, mechanic, electrician, trades. Two on King Island, two currently being resourced in Hobart, one in Bell Bay and one in Devonport. We also have two traineeships for business administration.

This is a really important element for us, not only supporting the pipeline of people coming through and future talent, but also for the community and the children in our community. We've got a lot to offer. It's been said a number of times: we are a really diverse and complex business. It's a really exciting career opportunity for the young people of Tasmania.

Finally, we have our graduate program. That's a two-year structured program. The graduates have the opportunity to work in different divisions. Again, we have a gender focus; we are setting these people up for leadership roles in the future and they, importantly, identify

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their own continuous improvement project. That's a real value add to TasPorts. One of our grads has a focus on how to build gender representation in our marine division.

CHAIR - Excellent.

Mr McCANN - Just one other program, sorry. We have an intern program. For the last eight years we've had an intern on our board for 12 months. In each case, they've been women who we've chosen. They typically come from either GBEs, large local companies or not-for-profits, and that gives a person who's got ambitions to see how a board operates. We bring them into most matters - there are some of course, which we can't, but in the majority of cases they're involved in everything. That's also a wonderful program.

CHAIR - Yes, wonderful.

Prof RAZAY - I must tell you, CEO, you don't realise how excited I am this morning - you probably noticed that - honestly, to hear this upgrading and restructuring of our port and the advancement in technology in running it. It's something we should be proud of. That's culminated through Bell Bay becoming one of the most distinguished ports internationally. I think we need more good news - I mean, you have now restructured berth 3 in Devonport for the upcoming TT-Line. Well, what about that? That deserves some comment on, if you have won any awards on that?

Mr DONALD - Thank you. More recently our construction contractor at berth 3, Hazel Brady, was awarded the Tasmanian Engineers Australia Engineering Project of the Year, for their work on that wharf. Very proud of them and a great achievement. Certainly, in cooperation with our team they delivered great results.

Prof RAZAY - That's excellent news. Thank you.

Mr McCANN - I think we are hoping to become just a good news story, for the benefit not only of TasPorts, but for the benefit of the state.

Mr VINCENT - I want to do that, too.

Mr McCANN - It's always the bad news that hits the press and hits the front page, but TasPorts is doing a lot of things really well.

Prof RAZAY - I feel by giving good news like this, you will see more of our young generations getting excited to be involved in that.

Mr JAENSCH - It has been great to hear the Chair, CEO and executive talking about the internal strategies and achievements for the organisation. Congratulations on the depth you have in diversity and inclusion, and those other areas that are a long cultural shift that you're achieving.

You mentioned sustainability in the depths that you have around your board table with sustainability. Could you speak to the environmental performance of the organisation, and your strategies there, and any certification that you achieved or pursuing in that area, as a port?

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Mr DONALD - In the last year we've achieved EcoPorts Certification for all our ports. The prior year we had one port certified, and last year we completed certification achievement for all of our ports - being Burnie, Devonport, Bell Bay and Hobart. It's an internationally recognised program and a fantastic achievement. I think there's just over 100 ports around the world that have achieved that certification, and we've got four of them, which is a phenomenal effort. I'm not aware of any other port at this stage in the country that has achieved that certification.

Mr JAENSCH - Does that go to things like your response to spills in your ports, or is it to do with things like how you manage anti-fouling operations, all those sorts of things?

Mr DONALD - It's all-encompassing. It's an ISO-accredited certification and it's really around collaboration - it's fostering the environmental protection, it's the collaboration, the coordination, the interaction of all the things that we do in the ecosystem of our ports. I said yesterday on this topic, we are the custodians of our ports. We take that responsibility with the priority that it deserves and making sure that we are aware of our environment, the impact that we have and we are striving towards continuing to improve the impact that we have.

We have a sustainability strategy in place. It's aligned with the United Nations Sustainable Development Goals. We have four particular pillars that we're focusing on. We're working through our processes associated with our scope 1, 2 and 3 reporting. We have some obligations coming in a number of years' time, but we're well advanced down that path. We've been capturing data associated with our carbon footprint for a number of years now. We're tracking how we're performing internally. We're seeing some positive impact through people's greater awareness of the decisions that they're making and the resultant impact. It is a real credit to a fantastic team.

Ms DOW - Through you, minister, have you undertaken an employee satisfaction survey this year? Would you be able to table the results of that for the committee, please?

Ms GARTH - Yes, we have, and we can table the results. We are also about to redo our next one. We have two pulses a year, a short one in June and a longer one in November.

Ms DOW - With the Devonport Airport, you made mention of it before as being part of your business. Will it continue to be part of TasPort's core business into the future?

Mr McCANN - There are no plans to make any changes. I know Devonport is very short of industrial land and there's a lot of land around Devonport Airport. Whilst it's not on our agenda at the moment, we would welcome any approaches to see whether we can work together with either local council or developers or whatever, if we can assist in that shortage and it would be to our benefit, too, to probably release what would be some non-core components of Devonport Airport.

Ms DOW - On your map you have, there are some future development sites earmarked and there's tourism and recreational space as well. The master plan says that you don't have any plans to develop that or invest funds in that presently. Do you intend to do that?

Mr McCANN - It's not where we would prefer to direct our money. We would be happy to play a role in that. If that wasn't land we needed for the airport or the future of the airport, if

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there were interested parties who wanted to work with us, whether it involved a sale or a joint venture of sort, we would have an open mind to that.

Ms DOW - Through you, minister, are you actively pursuing that?

Mr McCANN - No, not at the moment, as far as I'm aware. We have so much happening around strategic assets, around cultural change and it's - what do they say? - drinking water from a fountain, or is it a fire hose?

Ms DOW - I'm not sure, but it sounds like you have a lot on.

Mr McCANN - Yes, we have.

Mr DONALD - I might add that the team at Devonport Airport is incredibly passionate about the day-to-day management of the airport and the facilities. The pride that they have in how they operate that facility, even down to their storage of equipment and materials and spares in their warehousing, is superb. We have an ongoing focus to continue to improve security management at the airport and regional airports across the country. It is a focus from the regulator. I expect, as I think all airports around the country expect, that there will be ongoing requirements imposed on regional airports to continue to raise the bar and raise the standards of security.

In response to some advice from the regulator, we proactively continue to invest and augment our infrastructure and our operational procedures including we self-test performance of identifying particular things and continue to focus on the customer relationship because passengers and the movement of people is our core business for Devonport Airport. So, making sure the passenger experience is excellent.

There's been a recent investment into providing business-related, sort of hub-style desks at Devonport Airport so people can easily plug their laptops and iPads in. We continue to get great feedback from our customers in that regard.

Ms DOW - Through you, minister, do you work closely with the Burnie Airport Corporation across the coast to look at maximising opportunities, or is it purely a competitive relationship?

Mr DONALD - It is a competitive relationship.

Ms DOW - Just one more on this -

CHAIR - One more and then we will move on.

Ms DOW - Have you made any applications through the government's aviation fund to increase flights, or to make the most of that opportunity through the *Spirits*?

Mr DONALD - If I may, I will take that one on notice. I know we have received a small sum of money as a result of that program. A small sum of funding.

Ms DOW - Thank you. There wasn't that much there to start with.

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Mr DONALD - We would always like more. We are passionate about growing passenger numbers on the north-west coast, absolutely.

CHAIR - To the chair or CEO, on page 65 of the annual report we have the consultancies summary. I want to ask you the capital expenditure versus the operational expenditure. I haven't seen that in other reports. I'm curious as to why you break it down that way?

Mr McCANN - This is largely an accounting policy issue. If we do preliminary work on it before we really commission a project, that work would normally not be capitalised into the project itself. Once we commission a project, we would bring in, for example, outside consultants - expertise, maybe engineering-type expertise - and that can be capitalised into the cost of the asset. If I could just check with our CFO, is that broadly correct?

Mr TOWNSEND - That's correct, yes.

Mr McCANN - Thank you. Does that answer your question?

CHAIR - Yes, well, sort of. I understand the complexities of delivering projects for sure, but I'm curious to know - I'm always concerned about consultancies and the amount that they cost. Can you describe for me the difference in the total consultancy from this financial year compared to the last financial year and the reasons behind those differences?

Mr DONALD - If I may, with our ongoing efforts and preparation around asset management in particular - it's not completely isolated to asset management, but infrastructure generally - our plans for expenditure can forecast to continue to grow. With that, we need to continue to invest in consultant spend upfront to make sure that we are appropriately planning and preparing for that spend. So, there will be a direct relationship between the value of our capital works program over time and the value of our consultant spend. We will continue to be transparent about that. Yesterday in the committee I was asked a similar question and I announced that I expect that our consultant spend over time will continue to grow. Our focus remains on making sure that we get great value for money out of our consultant spend.

As a client organisation, we recognise that, in order for our consultants and contractors to perform well, we have to perform well first. We need to understand what services we are going to buy, what we want from our providers, we run appropriate procurement practices, and we provide management interface and oversight over their performance so they can enjoy the success and we end up with a great result.

A different question was asked yesterday about why we have so many consultants and why we wouldn't look to rationalise -

CHAIR - Or bring them in-house or whatever.

Mr DONALD - and/or bring them in-house. Well, the types of capability we need varies specifically, depending on the type of project or infrastructure or operation that we're contemplating and looking at. There will always need to be a base level of resources who can manage and provide oversight over the scoping and the implementation of work. However, we don't need to develop subject matter expertise in every single element of the technical parts of our supply chain.

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We also want to make sure we have resilience and redundancy. What does that mean? We don't want to put all our eggs in the one basket, so to speak, with respect to the selection of consultants and contractors. Competition is a good thing and we want to make sure that we provide competitive opportunities for our service providers. Of course, we recognise and celebrate the success of the work they do. That in many ways informs their opportunities for selection moving forward through the background and all the experience that goes to capability assessments in evaluation criteria. However, I think it would be quite a risk to select one engineering consultant. I think at the moment we're out to market for a revision to our panel. Someone can correct me if I'm wrong, but I think we had over 100 different consultants express interest in that and we will be seeking to put in place contracts with perhaps 30-odd different consulting businesses.

CHAIR - Given there are 67 consultants with contracts less than \$50,000, would you be prepared to table those?

Mr DONALD - I'm very happy to do that. I'll take that on notice.

CHAIR - Thank you. I'm always curious to see this, because it's a significant amount of money. Presumably, minister, you're having an oversight into that level of detail?

Mr VINCENT - Not directly because it's operational, but we do discuss the various projects and the level of consultancy needed for those projects.

CHAIR - One final question: going back to that governance, what more would you like to see with governance arrangements? What other improvements would you like to see?

Mr VINCENT - My focus at the moment is very much with a lot of my GBEs around the infrastructure program that's needed to predict forward Estimates a lot better. A lot of the correspondence I'm focused on is very much in that area - that if we can get that right, the rest flows from it.

Prof RAZAY - Minister, according to the interim Budget, workers compensation claims have increased dramatically, costing hundreds of millions of dollars due to combinations - mainly physical as well as psychological injuries. I heard from your chairman that you feel sorry for how many people have suffered. That's at all levels.

I'd like to ask about what impact on TasPorts, how many compensation claims you have and the cost. We have already heard that you are doing something to address it, to improve the work environment as well.

Mr DONALD - Thanks, Professor. Julie, do you have that information at hand?

Ms GARTH - I do, Chair.

Mr DONALD - Would you like to respond?

Ms GARTH - Yes. We currently have four open claims. None of those is a psychosocial safety related claim.

Prof RAZAY - That's good to hear. That's reassuring.

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Mr McCANN - Chair, could I just correct or clarify something?

We were asked and we agreed to table the employee survey. Can I say that can we take that on notice because we would like to go through that to make sure that nobody can be identified? We'll take it on notice, if that's all right with you.

CHAIR - That's all right. Thank you.

Mr FAIRS - Chair, I have a question for the Harbour Master. Obviously we've spoken a lot and heard a lot about you upgrading facilities and also your technological advances and things like that, including your vessel traffic service system, which I understand is very sophisticated. I haven't seen it, but it operates from Launceston, which is great, in my electorate. We know navigation is obviously of paramount importance. Can you explain how it works from Launceston?

Mr WALL - Mr Fairs, thank you for the question, and an open invitation to the whole committee or anybody who wants to come along and have a look at VTS (vessel traffic service) at any time.

Mr VINCENT - It is worth having a look at. It's mind blowing.

Mr FAIRS - Yes, I do want to.

Mr WALL - I am very lucky. We have a small team which carries out the functions of the vessel traffic service. We do that in conjunction with Marine and Safety Tasmania as part of our deed of agreement. I have my deputy harbour master, my vessel traffic services manager, our wonderful executive assistant and a team of shipping schedulers and VTSOs underneath that - the officers who do the monitoring for us.

We have 11 different areas around the state which we monitor every day: the four major ports, the two islands, and other areas around the state as well. We conduct visual checks on that using CCTV; automatic identification systems, which are the radio signals from the ship; we are in direct communications with the vessels entering Tasmanian waters, coming into port, leaving port; and we also work very, very closely with the marine pilots, the tugs, the pilot vessels and all the marine services, which make our job very easy, to be quite honest, and we are monitoring that.

There were references before to responses to environmental spills as well. As part of the agreement, we monitor for environmental spills in the port. That technology is improving in that area as well, where we can see differences in the reflection of the water. Again, we're looking at AI projects which will assist us in doing that. That's also being undertaken nationally, where AI will assist in very early detection of oil spills on the water and allow us to respond in a timely manner.

We're part of the Australian Maritime Safety Authority's national working group for the Vessel Traffic Service; we attend that on a regular basis. Our certification comes through the Australian Maritime Safety Authority in Canberra, so we're nationally certified. We have a very good, strong working relationship with the Australian Maritime College. All our employees go through the AMC for both qualification training and recertification training as

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required. The centre itself is fit for purpose at the moment - we're expanding the team. I'd also like to say that we took on our latest employee yesterday, so they started for us as well.

We're doing our business continuity planning. The other measure that I'd like to table is that we have one of the highest retention rates in the company. We have some employees there with over 40 years of service in the same area. We've also celebrated other members of TasPorts who have recently had 50 years of service, all in the marine side. We are very lucky.

However, as I sit before you as an old, grey-haired captain, there is time for change, so we are bringing in new members to the team. With that team there is lots of knowledge, lots of experience and I sleep comfortably at night knowing the people are there doing the job for me. Thank you very much, for the question.

Mr DONALD - Captain, not all ports around the country are AMSA certified.

Mr WALL - Not all ports are AMSA certified, and likewise, Anthony, in Tasmania, we have a coastline bigger than Queensland, but we won't remind them of that - if you include all our islands and everything.

Unknown - If you've got half an hour to spare, please come and have a look at it, it's very impressive.

Ms DOW - Minister, is there a shortage of marine pilots across the state?

Mr VINCENT - Oh, I'm not aware of that, sorry. I might pass that down the line. Is there?

Mr DONALD - We're currently training, I think, three trainee pilots at the moment. Managing that process, the training of pilots, takes considerable time and effort and we need to achieve particular standards and accreditation, and number of visits to the satisfaction of the harbour master. It's something that we manage on a day-to-day basis at the moment, while we move through the training program.

Ms DOW - Have there been delays to the employment process?

Mr DONALD - No, not that I'm aware of.

Ms DOW - That hasn't added implications for Port Latta or Hobart?

Mr DONALD - No, certainly no delays to recruitment processes.

CHAIR - I have a question, which goes to global events. We know that there is some concern with fuels imported from Russia via third countries. I wanted to clarify whether TasPorts has done the analysis of where your fuel is sourced?

Mr DONALD - No, we don't undertake that investigation. That would be something that we would leave to our customers and their decisions around the origin of fuel. Our responsibilities are around the infrastructure associated with the ports and then the transfer of fuel from the vessel to the land side.

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CHAIR - Don't you run services to King Island?

Mr DONALD - Yes, we do, and we do provide fuel to King Island.

CHAIR - Perhaps if you can take it on notice if you're unclear and, to clarify, I would imagine that that could be an issue for TasPorts if it were coming via a third country but had been sourced in Russia.

Mr DONALD - I'll take that one on notice.

CHAIR - I've got lots of questions around Bell Bay. I'm curious to know about shore power improvements and where you're up to that.

Mr DONALD - Once we announce our construction contractor for the Macquarie 6 upgrade in Hobart, the scope of works that we will be delivering for the Australian Antarctic program will incorporate shore power, which will be a fantastic next step for our port. We already have shore power in place through infrastructure that Strait Link has provided for their vessels in Burnie. There is shore power in place at Strahan, albeit currently with the West Coast Council and the addition in Hobart will be great.

We know there's a lot of interest from cruise lines, in particular, for shore power connectivity and we will continue to investigate ways that we can increase infrastructure. I fully expect that as we progress our thinking and plans as a port, but more generally as an industry and a supply chain when we start to look at beyond scope one and scope two to scope three, there will be more incentives and interest from all our customers on shore power.

CHAIR - You're looking at those major ports rather than any other?

Mr DONALD - It will absolutely be part of our port master planning review process.

Prof RAZAY - You seem to be really excited about getting clean energy. We have offshore wind, is that right, for Bell Bay? What I want, it's a major development in the future and for our port, I'd like to add to that. Do you get involved also in ocean technology or wave technology as well?

Mr DONALD - Certainly we've been privy and provided some ancillary support to some of that wave energy technology that the King Island community saw as a trial for a period of time. We've had some relatively minor, I would say, interfaces with the AMC around different technologies that they've been investigating. We continue to look at opportunities for solar power to power some of our own facilities. Of course there are wind farm and wind turbine opportunities as well. That will form part of our long-term asset management plan and master planning process.

The plans for upgrading of Bell Bay to support offshore wind farms are significant in size and nature and we would plan that they support offshore projects within Bass Strait but also onshore projects within the State of Tasmania. We describe renewable energy projects similar to fuel import business. We see it as a future commodity for our business.

Under that banner, it's infrastructure and port services to support wind farms. It's also whether or not there are any land opportunities solar. We have looked at some concepts around

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tidal flow generation, particularly around the Tamar River in and around our port at Bell Bay. There are some challenges associated with the implementation of some of that infrastructure, but I'm sure technology will help us in the end.

Of course, then there are some of the cleaner fuels like ammonia, and perhaps methanol and hydrogen, that we would be happy to import and export through our ports in the future. I think Bell Bay and Burnie, whether or not it's hydrogen or ammonia or something else, we need to make sure our port infrastructure is ready.

Mr JAENSCH - Through the minister, thank you very much for sharing your processes around employee engagement and development. How is TasPorts approaching customer engagement - your external stakeholders?

Mr DONALD - Thank you. We undertake a regular customer survey. There's a current survey underway with our customers. We continue to get positive feedback. The last survey we recorded - I'm just going to look for the sheet so I can quote some stats for you. We saw a positive uplift in our feedback. It's a work in progress. We're not perfect, but we want to make sure that we have open and respectful trusting relationships with our customers.

Mr JAENSCH - While you look for that, is this a rolling process? Is this something you repeat every year or six months?

Mr DONALD - Yes, it is. More generally, our performance continues to improve, but we don't rest on our laurels. We've got a program frequency of interactions at a minimum that we maintain with our customers at various levels within the organisation. We have a CRM in place that tracks all our interactions with customers and I, of course, maintain close interactions with various CEOs, particularly some of our key important customers.

Ms DOW - I'm sorry, if we have the data on that, that would be very useful. If you could table it?

Mr DONALD - I'm very happy to table that. I might take that one on notice, given the time. We're very happy to do that.

Ms DOW - Through you, minister, in my previous round of questions, I don't think you answered the question about whether there's a shortage of marine pilots across the state? You said you were in the process of employing three additional ones, but you didn't say whether there was a shortage.

Mr DONALD - We have 16 pilots; three of them are being trained at the moment, so does that extend to operational disruptions? No, not at the moment. No, it doesn't.

Ms DOW - Has that figure decreased or increased? How does it sit across, say, the last couple of years?

Mr DONALD - We've increased the number of pilots in the last couple of years quite significantly.

Ms DOW - Do you have any data on that?

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Mr DONALD - Yes, we can provide the last five to eight years. We could show the increase in the number of pilots. Why do we have so many pilots? We need to make sure that we have resilience and redundancy, essentially. It's incredibly important.

I'd just like to take the opportunity for me to promote how proud I am of our marine pilots. I know I'm biased, but I think we've got the best marine pilots in the country. They are managing some of the most challenging waters. I'm not a mariner - I'm a civil engineer - but they are managing 3500 movements a year in arguably some of the most dangerous, treacherous, beautiful waters of the world, so they do an awesome job.

Ms DOW - I am interested in how you would characterise your relationships with the relevant unions that are across your work sites?

Mr DONALD - I'd say healthy, in short.

Ms DOW - You meet with them regularly? Through your minister.

Mr DONALD - Yes.

Ms DOW - No issues?

Mr DONALD - Not that I'm aware of. I'm sure if that changes my phone will ring.

Ms DOW - My last question is about the school lunch program that I think that you do with East Devonport Primary School. Is there a view for the organisation to do that with other schools? For example, George Town might be another one that would be a good way of working with families and students.

Mr DONALD - Yes, certainly is - and we've flagged with the provider who facilitates the school lunches that we are committed, when the opportunity arises, to provide that same level of service and interaction with George Town and other ports, including the islands.

We think it's been phenomenal. The hair stands up on my - it's it a really valuable thing that we do for that community. Devonport Primary School, the attendance rate has gone from a pretty poor attendance rate to the best attendance rate in Tasmania, as I was advised by the principal, across public and private, all because of the cooked lunches. If you have an opportunity to enjoy lunch with these primary school kids, it is phenomenal to observe and it makes me a little emotional and really proud.

CHAIR - The time for scrutiny has finished. I thank our guests and minister for attending and thank committee and staff.

The witnesses withdrew.

The committee suspended from 12.00 p.m. to 12.06 p.m.