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Hon Ruth Forrest MLC
Chair
Parliamentary Standing Committee of Public Accounts

11 DEC 2024

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RE: Questions on notice - Inquiry into the TT-Line Spirits Project

Dear Ms Forrest

Thank you for your letter of 23 November 2024 seeking responses to the questions taken on notice during my recent appearance at the Parliamentary Accounts Committee.

Please find the responses to the questions as follows:

- 1. Provide a timeline of the Department of State Growth's (DSG) receipt of monthly joint CEO reports (from TasPorts and TT-Line) and the Gemmell reports, including detail of which persons received those reports and when.*

Answer

Date	Description
21 December 2023	<ul style="list-style-type: none">Joint Monthly Report (November 2023) provided to Director - Infrastructure Tasmania from the Minister for Transport and Infrastructure Office for the Department of State Growth to provide to Mr Peter Gemell.
22 April 2024	<ul style="list-style-type: none">Joint Monthly Report (March 2024) provided to the Secretary – Department of State Growth from the Minister for Transport and Infrastructure Chief of Staff.
9 May 2024	<ul style="list-style-type: none">Joint Monthly Report (April 2024) provided to the Secretary – Department of State Growth and the Deputy Secretary – Department of State Growth from Chief Executive TasPorts.
17 July 2024	<ul style="list-style-type: none">Joint Monthly Report (June 2024) provided to the Secretary – Department of State Growth from the Minister for Transport and Infrastructure Chief of Staff. Note: Acting TasPorts CEO did not include the Department of State Growth on the original email.
5 August 2024	<ul style="list-style-type: none">Joint Monthly Report (July 2024) provided to the Secretary – Department of State Growth and the Deputy Secretary – Department of State Growth from Chief Executive TasPorts.

19 August 2024	<ul style="list-style-type: none"> Joint Monthly Report (Interim) (August 2024) provided to the Secretary – Department of State Growth and the Deputy Secretary – Department of State Growth from Chief Executive TasPorts.
6 September 2024	<ul style="list-style-type: none"> Joint Monthly Report (August 2024) provided to the Secretary – Department of State Growth and the Deputy Secretary – Department of State Growth from Chief Executive TasPorts.
30 September 2024	<ul style="list-style-type: none"> Joint Monthly Report (September 2024) provided to the Secretary – Department of State Growth and the Deputy Secretary – Department of State Growth from Chief Executive TasPorts

Note the above table does not include the dates the reports were provided to Ben Moloney and Peter Gemmell for their project assurance and review role.

The Department of State Growth has undertaken a search of their records management system (Content Manager) and consulted relevant current and previous members and advises me that they were not provided the monthly jointed CEO reports (from TasPorts and TT-Line) between November 2023 and March 2024.

A timeline of the Gemmell Reports has been prepared in **Attachment A**.

2. Who was present at the meeting held on 10 November 2023?

Answer

Attendees at the meeting included the former Chairman of TT-Line Mike Grainger, outgoing TT-Line CEO Bernard Dwyer, Will Harper representing TT-Line, the former Chair of TasPorts Stephen Bradford, TasPorts CEO Anthony Donald, TasPorts representative Michael de Vos, former Minister for Transport and Infrastructure Michael Ferguson MP, and three representatives from Mr Ferguson's Office being James Abbott, Laura Searle and Richard Wilson.

I am advised that no Department officials attended this meeting.

3. Whether there was a requirement and/or direction that the monthly joint CEO reports be provided separately to DSG, the Secretary, DSG and the Minister?

Answer

I am advised that the previous Minister for Transport and Infrastructure's Office requested that the report be provided directly to his office. This was confirmed by Mr Anthony Donald (TasPorts CEO) on 2 December 2024.

4. What was the requirement and/or direction for the monthly joint CEO reports during the caretaker period?

Answer

The former Minister for Transport and Infrastructure previously provided evidence to the Committee on 26 August 2024 that:

“Following the commencement of the Caretaker period (14 February 2024) the CEO report for the month of February was received on 28 February, and the report for the month of January as received on 1 March 2024.”

5. *Since 10 November 2023, a full breakdown of the additional costs (and estimated ongoing cost) borne by DSG related to the TT-Line Spirits Project (e.g., procurement of Mr Gemmel’s services, other assessments etc.) and in particular to assist with the oversight of the Devonport berths.*

Answer

- For the first integrator report, Mr Gemell invoiced \$36,542.
- For the current services Mr Gemell has been contracted to provide he has invoiced \$127,938 as at 24 October 2024.

Note these amounts do not consider general Department of State Growth staffing.

6. *An unredacted copy of the Cabinet Subcommittee meeting minutes held on Monday, 18 November 2024*

Answer

For complete clarity, I am unable to find in the Hansard of the Committee hearing a reference to providing Minutes of Cabinet Subcommittee meetings. Notwithstanding, the provision of Cabinet documents is clearly outlined in the Tasmanian Government Cabinet Handbook (available on the DPAC website).

Your letter also stated:

In addition, as soon as practicable the Committee would welcome an unredacted copy of the report coming from the TT-Line with respect to the leasing and/or fit-out of the Tasmanian content on the new Spirits vessels.

Answer

Refer **Attachment B**.

I trust this information satisfies the Committee’s questions.

Yours sincerely



Hon Kerry Vincent MLC
Minister for Infrastructure

Public Accounts Committee

Date	Activity	Activity details
7 February	Peter Gemell briefs Minister for Infrastructure	<ul style="list-style-type: none"> DSG understand from Peter Gemell that he briefed the Minister for Transport and Infrastructure on his report and findings.
9 February 2024	Peter Gemell email draft report to State Growth	<ul style="list-style-type: none"> Draft Peter Gemell report received by State Growth (Director, Major Infrastructure Projects and Senior Project and Procurement Specialist) Minor edits made by State Growth.
12 February 2024	Final Peter Gemell report	<ul style="list-style-type: none"> The draft Peter Gemell report with minor edits was submitted to the CEO Infrastructure Tasmania – dated 12 February 2024.
13 February – 19 March 2024	State Growth prepare Cabinet briefing	<ul style="list-style-type: none"> State Growth draft a Minute to the Minister and Cabinet Briefing providing the Project Integrator report. During this period Cabinet brief was drafted and cleared to Deputy Secretary level.
14 February 2024	Election called, caretaker period commences	
Week commencing 26 February 2024	State Growth contact companies regarding implementation of recommendations	<ul style="list-style-type: none"> CEO ITas phone call to TasPorts and TT-Line CEOs to discuss how they intend to address the recommendations identified by the project integrator, which Peter Gemell had discussed with them, but had not provided a draft written version. CEO TT-Line responded on 5 March 2024 advising he had not formally raised the findings with the Board and the current arrangements are working well. The CEO also advised that the Tenant works contract had not yet been executed. CEO TasPorts indicated he had not formally raised the findings with the Board and would require a direction from Government before seeking a position and way forward from the Board. Advised he believed the most appropriate way forward was for TasPorts to deliver the project (i.e. take over management of the Tenant works contract) with an agreed budget from TT-Line, and appropriate governance arrangements.
20 March 2024	Secretariat advice that Cabinet brief will not be progressed due to Caretaker Conventions	
24 March 2024	Tasmanian election	

TT-LINE VESSEL REPLACEMENT PROJECT LOCAL CONTENT UPDATE

Background

In June 2020, provisional agreement was reached on the contracts to build two vessels between TT-Line and Rauma Marine Constructions (RMC). The TT-Line Board approved the signing of these contracts and made the recommendation to execute them to the Shareholder Ministers.

At that time, however, TT-Line withdrew from the final process on instructions from its Shareholder Ministers to revisit the on-shoring of the replacement of the ferries within Tasmania and Australia, in response to the economic outlook presented by the COVID-19 pandemic.

A Ship Replacement Taskforce was formed by the State Government and duly reported in March 2021.

Following completion of that review, the State Government requested TT-Line to continue negotiation with RMC for the build of two monohull vessels with the requirement that the new build contracts include up to \$100m of local content (with local content being defined as Tasmanian and/ or Australian content).

Contracts were executed with RMC in April 2021 with included a commitment of up to \$100m, across both vessels, of local content. The timeframe given to satisfy this commitment is the expiry of the later warranty period of the vessels. This expiry date will not be definitively known until delivery of the second vessel.

To support RMC in achieving their contractual commitment to the local content spend, TT-Line employed a local Procurement Manager to work with RMC to achieve the maximum spend possible on local content.

Of the \$100m local content commitment, \$80m was the target for RMC to deliver on under the new build contracts. RMC will contract directly with the relevant businesses. TT-Line is not a party to these local content contracts.

In addition to this, TT-Line had a target of \$20m to deliver through contracting with many Tasmanian and Australian businesses for Buyers Supplies as part of the project.

RMC Local Content Spend – Target of \$80m

RMC has until the expiry of the warranty period on the second vessel (not yet known) to meet the commitment of up to \$80m in local content spend.

RMC provides updates on the progress of the local spend, but these updates are not validated or audited by TT-Line.

Supporting documentation of the final local spend amount will be provided to (and validated by) TT-Line at the expiry of the warranty period.

The most recent update provided to TT-Line from RMC (November 2024) identified the following spend to date:

RMC LOCAL CONTENT UPDATE	
November 2024	
Supplier	Detail
Lloyd's Register International	Classification Costs
Wärtsilä Australia Pty Ltd	LNG Pacs
Wärtsilä Australia Pty Ltd	Auxiliary gensets with GVUs
Wärtsilä Australia Pty Ltd	Main engines
SKF Australia Pty Ltd.	Retractable Fin Stabilizers
Flender Pty. Ltd., Australia	Reduction Gears
Consilium Australia Pty Ltd	Engine telegraph
CBG Systems	Insulation panels
AWM Electrical via TT-Line Company Pty Limited	Special sockets (for reefers)
Haywards Steel Fabrication & Construction	Lashing Pots for Trestle system
UES International	Recliners
Norfolk Roller Blinds via ALMACO	Blinds and Curtains
Liferaft Systems Australia (LSA)	Marine Evacuation System (MES)
CBG Systems	Access hatches
Seamaster Fishing Supplies Australia	Safety equipment/Life saving equipment
Ansa Engineered Door Solutions	MES enclosure / Roller doors
Scanmarine	Local wood - Hydro wood
Montebel Chairs	Chairs
	TOTAL SPEND TO DATE (EURO) € 46,646,210
	TOTAL SPEND TO DATE (ESTIMATED AUD) \$76,499,784

TT-Line Local Content Spend

RMC are contracted to build the vessels, but as part of overall delivery of the vessels, TT-Line is responsible for “Buyers Supplies” – these are items that are excluded from the responsibility of RMC to deliver. They are items that are required for the commissioning and operating of the vessel, but not part of the construction.

TT-Line has already procured a significant amount local content that has already been sent to Finland for installation on the vessels. Other items have been ordered or are currently being manufactured or produced for a later installation date. A summary of these items purchased as at November 2024 are below:

TT-LINE LOCAL CONTENT UPDATE November 2024

Supplier	Equipment
4 Cabling	IEC Leads
Acutec	Pet Camera System
	Bazeport office management
Acutec / Bazeport	Infotainment & digital signage
Additional flags	Carroll & Richardson
ANSA	MES Station Roller Doors
Apple	Ipads
Assa Abloy	New boarding card printers
	Test kits for boarding card/cabin keys
Aus Lock & Safe Co	Safe
AWM Electrical	Electrical equipment required for delivery
Big Blue Maritime Services	Integrate ISM with K Fleet
	Integrate ISM with K Fleet phase 2
BLC Turva / RMC	CCTV upgrade
Bloodline Equipment	Pet Kennels
Boat Books	Charts
Bunkering equipment	Elaflex Pacific
Carus	Assa Abloy integration
Cavotec	Shore Connection Lead
Challis Water Systems	Water filters
	Water Stations
Code flags	Carroll & Richardson
Computer & monitor mounts	Strike Group Australia
Data 3	Computer equipment
DB Tech Services	Cabin TV brackets
	Entertainment equipment
	TVs for Teen Gaming Lounge
Draeger	Breathalyser
Electrotech	Holding cell intercom
	Satellite Equipment
	Starlink
Eye Spy Signs	Crew cabin door signs
	Pax cabin door signs
	Directional signage
Fairbrother	Table tops decks 8 & 10
Feature tables	Fairbrother

Supplier	Equipment
H&L	POS Equipment
Handmark Gallery	Artwork
Haywards Steel	Lashing pots - extra costs
Imagination Play	Playground
K5	Montbel chairs
Life Fitness	Fitness equipment
Lifelfoor	Playground flooring
Liferaft Systems Australia	1/2 Ship set MES & liferfts
Lloyds	Cargo Securing Manual
LNA	Cargo Securing Manual
	Weather Dependent Lashing Addendum
Locks for kennels	Assa Abloy
Monika	Monitoring System
Outcomex	Compute & storage
	Network Hardware
	Webex boards
Quality Equipment	Barista Coffee Machines
Rapid Supply	Bridge equipment
	Consumable items required for delivery
	Handwash / Bodywash
	MOPS Tools for delivery
	Behind mirror dispensers
Reece Plumbing	Disabled toilet equipment
	Public bathroom equipment
Seachoice	Cinema Equipment
Seamaster	Bridge equipment
Sensormatic	Loss Prevention System
Steelfinne	Holding cells
Strike Group Australia	Ipad covers
Survitec	Gas detectors
Tas Isle Trading	Washing machines & dryers
Tas Shipping Supplies	Additional galley equipment
	Bill tap for crew mess
	Crew Mattresses
	Galley & loose restaurant equipment
	Galley equipment
	Loose Equipment
	Mattresses, linen, towelling
Tascaffe	Coffee machine for crew mess
	Coffee machines for bridge & engine room
TasVac	Vacuum cleaners
Taylor Brothers	Defibrillator for ECR
	Medical equipment
The Udder Way	Milk Fridge

Supplier	Equipment	
TIBS	Beer System	
	Drop in post mix towers	
	Post Mix System	
Wastech	Compactor	
Waverley Mills	Blankets & throws	
Wilhelmsen Marine Products	Mooring Lines	
Lifefloor	Playground flooring	
CyberCX	OT Environment Security & Vulnerability Monitoring	
Harvey Norman	Vacuum cleaners	
Alfa Laval	Chemicals	
UES	Actuators for standard recliners	
Norfolk Blinds	Blinds	
Benchmark Agencies	Carpet	
Seamaster	Safety Equipment	
Outcomex	IT Equipment	
Power On	IT Equipment	
	TOTAL COSTS TO DATE	\$ 14,797,245

Public Accounts Committee

15 April 2024	Incoming government briefs provided to Secretary for clearance	Incoming Government briefs, including information on Terminal 3 delays and project integrator report, provided to Secretary State Growth
17 April 2024	Cabinet briefing (Integrator Report) provided to State Growth Secretary	Cabinet briefing provided to State Growth Secretary for approval
22 April 2024	State Growth provides report to Premier, Treasurer and Minister	Email from Secretary of State Growth to Minister advising - We received the Quay Link: Terminal 3 Report Monthly CEO Report today and during caretaker we received the Integrator Report (which is attached). We had been progressing a Cabinet Minute for the Minister for Infrastructure consideration. However, I understand there is a meeting tomorrow to discuss the project.
4 June 2024	Second Gemell Report provided	Second Gemell Report provided to Deputy Secretary, Transport and Infrastructure and Secretary on 4 June 2024.