

4 October 2024

Hon Ruth Forrest MLC  
Chair  
Parliamentary Standing Committee of Public Accounts  
Parliament House  
Hobart TAS 7000

Email: [simon.scott@parliament.tas.gov.au](mailto:simon.scott@parliament.tas.gov.au)

Dear Chair

### **Questions on Notice: Inquiry into the TT-Line Spirits Project**

I refer to your letter dated 17 September 2024 and provide the following written response to the questions contained therein and include for the information of the Committee the requested documents as outlined in Schedule 1 attached to this letter:

1. any communication between TT-Line and the responsible Minister with respect to TT-Line's concerns in relation to TT-Line's position of not being a 'design, construct and/or installer of infrastructure' company and that TasPorts should be taking the lead;

#### ***TT-Line Response:***

*The original Vessel Replacement Project business case identified that port infrastructure upgrades would be required to support new vessels at both Port Melbourne and Devonport.*

*Assumptions were that Berth 1E Devonport, and Station Pier would be upgraded by the Port Operators, and were reflected as long term lease arrangements.*

*TT-Line has always maintained the position that the Port Operators would construct all required infrastructure and lease back to TT-Line.*

*Additional detail and references to relevant correspondence is provided in the Chronology beginning in 2017.*

*In particular note:*

- *Item 1*
  - *Item 4 and correspondence 2019.07.31 – Letter from BD to AD*
  - *Item 5 and correspondence 2019.11.10 - Letter from TP to TT-Line*
  - *Item 10*
  - *Item 11*
  - *Item 13*
  - *Item 20*
  - *Item 25*
2. any meeting notes and the letter to the responsible Minister advising of the initial increase in the contract price for the first Spirits vessel;

**TT-Line Response:**

*The regular monthly meeting of 19 May 2022 advised the Minister of the decision by the Board to approve the €8M increase in the contract price in response to escalating steel prices and other major componentry, shortage of steel supplies and the notice of a force majeure event issued by RMC in relation to the ongoing Ukraine War. A copy of the Minute is provided with this pack at 2022.05.19 Ministerial Minutes May 2022.*

*The letter advising the Minister of the first price increase (€8M) dated 25 May 2022 is provided with this pack at 2022.05.25 Letter - TTL to Minister - New ship build contract.*

*The letter advising the Minister of the second price increase (€50M) dated 5 April 2024 for the new vessels was provided in response to the QoN from PAC meeting 28 June 2024 at item 17.*

3. the RMC request for assistance on 16 August 2024, and the notes of the telephone calls made by Mr Grainger to the responsible Minister;

**TT-Line Response:**

*The reference to 16 August 2024 is incorrect. First indication there was an issue from RMC in January 2024 when RMC requested an amendment to the payment schedule to assist with cash flow issues.*

*The request for an increase in the contract price is noted in the attached chronology and correspondence related to the request has been provided to the PAC in response to the QoN from the appearance before PAC on 28 June 2024 in the bundle of documents delivered on 19 July 2024.*

*All notes and correspondence relating to discussions with the Minister on this topic have previously been provided to PAC.*

4. a copy of any dated diagrams, photographs or similar that show any impediments to TT-Line (e.g., the barge) with respect to having full-access to the Berth 3 site for geotechnical investigations;

**TT-Line Response:**

*Refer to the attached "Table 2TasPorts C48 Contract at Berth 3 (HBJV) Works". Also attached are the same aerial photographs incorporating overlays of where the TT-Line constructions and hence where the critical path geotech investigations were required (Overlays 1 and 2 attached)*

*The dated photographs are all included in the Table with additional commentary from TT-Line's project team.*

*Access to the berth pocket site for TT-Line was particularly important in light of the "Geotechnical Gap Analysis" Report by SMEC (for a more extensive view see item 31 of the Chronology) which stated, among other things:*

*“Overall, for the marine structures (and for the land side pedestrian walkway), the number of boreholes and the data collected does not appear to be suitable for detailed design of piled foundations. This is based upon the minimum requirements specified by AS 5100 of one borehole for each foundation location, when considering a site of high soil profile variability.”*

*Note the “Table 2 -TasPorts C48 Contract at Berth 3 (HBJV) Works” aerial photographs pictures and comments dated 19 October 2022, 17 February 2023, 27 September 2023, 1 November 2023 and 7 February 2024 which shows the continuing Landlord Works preventing actual access to the berth pocket for TT-Line to carry out Geotech tech studies and critical path work notwithstanding having been apparently “granted access”. As noted in the Overlays, construction of critical path structures would not have been possible due to the presence of the C\$\* works barges and landside construction.*

*TT-Line is also aware that TasPorts created a dated time lapse video of the area at 10-minute increments for the entirety of the works in the berth pocket and the impact the continued presence of HBJV at the site would have had on TT-Line’s access, but TT-Line is not aware of TasPorts having released it.*

5. any advice provided to the responsible Minister around construction times for Berth 3 and when it was provided;

***TT-Line Response:***

*See Ministerial Monthly Minutes of 27 July 2023 (item 53 of the Chronology), 14 August 2023 (item 54), 23 October 2023 (item 55), 17 November 2023 (item 57) and 21 December 2023 (item 63) as previously provided to the PAC.*

*There were comments made in the Gemell report of January 2024 noting, among other things, Berth 3 would be operational (applicable to all three ramps) on 9 May 2025 along with the CEO Updates that were sent to the Minister by CEO TasPorts in February written in January e.g. Page 3 and 4 of the document 6A0000-TASP-0010-CON-RPT-xxxx - Combined TT and TP Report Jan 2024(WH).pptx which is the January CEO Report shows the date for berth 3 has moved to May 2025. The 2024.02.12 Gemell Report that was presented with comments to the Board showed that Mr Gemell advised Government as well that the date was May 2025.*

6. the dates the joint CEO Ministerial Monthly Reports were prepared after the November 10 meeting with the Minister Ferguson and subsequently sent to him;

***TT-Line Response:***

*There was a report written in November and January 2024. The January Report is referenced above in the question 5 response.*

- *TasPorts sent November report to Treasurer on 20 December 2023*
- *TasPorts sent document to Treasurer on 28/2/24*

7. the dates the Ministerial Monthly Reports (provided to the Committee) were prepared for the responsible Minister and subsequently sent to him;

**TT-Line Response:**

*The briefing notes of the regular Monthly Meetings from the February 2023 meeting until the August 2024 meeting were provided to the Minister on 6 September 2024*

8. a copy of the notification from HBJV to TT-Line with respect to the cost escalation;

**TT-Line Response:**

- *20 February 2024 - HBJV submit updated offer for project upon review of updated drawings representing a \$76.7M increase on their original tender offer and program changes.*
- *26 March 2024 - During a Project workshop HBJV advised that they carried out a retrospective review of their initial offer and their assumptions and revised their entire offer presented on 20 February 2024.*

*(Table 3 – TT-Line Procurement Timeline outlines in detail the initial tender, negotiations with HBJV during the preferred tenderer, the second tender and the award of the construction contract to BMD arising from the second tender)*

9. a chronology of the communication between TT-Line and the responsible Minister around the timing of the deliveries of the Spirits vessels through to 11 April 2024;

**TT-Line Response:**

*All Regular Monthly Minister's briefing minutes have been provided to PAC.*

*References to the relevant minutes regarding time of the delivery of the new vessels are included in the Extended Chronology*

10. a copy of the 11 August 2024 TT-Line Board minutes;

**TT-Line Response:**

*Attached – 2024.09.19 Board Minutes Meeting 13 August 2024 - approved*

11. a statement as to where TT-Line believes they may have a contrary view to that heard at the public hearing with Minister Ferguson and Mr Limpkin and the public hearing with TasPorts. Please provide evidence to refute the same;

**TT-Line Response:**

**Minister:**

*The Minister was warned of the full Berth delay during the Regular Monthly Meetings as outline in the Chronology, from the Gemell Report and in the Joint CEO Report. TT-Line in 2023 had advised the Minister that the Company was working with TasPorts to look at the possibility of using the around the world at grade possibility and the full Berth 3 solution and TasPorts also suggested using Berth 1.*

*Relevantly TT-Line has provided records of the Regular Monthly Meetings to PAC in response to the 28 June 2024 request for documents and this response. It is a matter for the Committee to draw their own conclusions from the evidence.*

**TasPorts:**

*TT-Line's primary areas of dispute are with the commentary and alleged evidence provided by TasPorts during their appearance before PAC. For example:*

- a. *"TasPorts offered to deliver the works, or alternatively, for TT-Line to engage us to project manage the works on their behalf. Ultimately, TT-Line elected to manage their works by themselves."*
  - *In TT-Line's Original Vessel Replacement Project business case identified that port infrastructure upgrades would be required to support new vessels at both Port Melbourne and Devonport. TT-Line has always maintained the position that the Port Operators would construct all required infrastructure and lease back to TT-Line. The expectation was that this would occur at Station Pier, Port Melbourne, and Berth 1E East Devonport (Item 1 Chronology)*
  - *TT-Line continued to reiterate its position that all port infrastructure should be provided by TasPorts under a long-term lease arrangement (Item 4 Chronology and 2019.07.31 – Letter from BD to AD)*
  - *TasPorts has maintained its position that the terminal operator be accountable for development above pavement level and advised the TasPorts Board were surprised that TT-Line would seek TasPorts to develop such a critical customer interface facility but were willing to consider including all development scope into the TasPorts project. (Item 5 Chronology and 2019.11.10 - Letter from TP to TT-Line)*
  - *TasPorts reiterated TT-Line had to fund all "above pavement works" and no work would commence until a complete commercial agreement was reached on all aspects of Berth 1E and Berth 3. (Item 13 Chronology and 2020.06.29 – Meeting minutes)*

*The assertion that TT-Line "chose" to do the works themselves was a common theme throughout the appearance before PAC and the Chronology includes additional references, and correspondence exchanges which are inconsistent with this position taken by TasPorts. Additional correspondence exchanges are also included with this response which support TT-Line's view being TT-Line's position was that, in the circumstances, it had no option but to do the Works themselves.*

- b. *"In June 2023, the Hazell Brady JV completed the dredge and reclamation works":*
  - *This statement is inconsistent with the later statement saying the reclamation works were completed in November. In 2023.11.01 Overlay 1, the front-end loading carrying out the dredging works is still clearly visible.*
  - *This implies TT-Line could access the berth to carry out critical Geotech studies and critical path works. This was clearly not the case and TT-Line was not provided access by TasPorts and in any event the HBJV barge prevented access to where the additional surveys were required to be carried out. (See 2023.11.01 Overlay 1 and 2024.02.07 Overlay 2)*

- *Note in Table 2 the references to the AFL Steering Committee meetings in September 2023, October 2023 and November 2023 which state dredging was delayed, dredging was complete, yet wharf construction continues, and dredging was completed on 7 November respectively. This is 5 months later than the time claimed before PAC that “In June 2023 HBJV completed the dredge and reclamation works ...”.*
- *Notwithstanding the apparent completion of the dredging and reclamation works, it can be seen in the aerial photograph dated 7 February 2024 that TT-Line’s access to the berth area to carry out critical path works due to the continued presence of the barge completing the wharf construction was still not possible. Relevantly, TT-Line were not provided access to this area to carry out Marine Geotech works until 25 May 2024.*

*See Table 2 - TasPorts C48 Contract at Berth 3 (HBJV) WORKS for a complete outline on how TT-Line could not gain access to the site. These significant delays in accessing the berth site to, for example, complete the Geotech studies have significantly contributed to the delay in TT-Line commencing its part of the project. Access for any construction of the Tenant Works would have been impossible (See 2023.11.01 Overlay 1 and 2024.02.07 Overlay 2)*

*Relevantly the Geotech reports indicated that the original SMEC report highlighting the inadequacies of TasPorts original Geotech studies came to fruition and as a result significant changes had to be made to the gantry design to compensate for the changes in the subsurface identified by the later Geotech report.*

12. a copy of the material tendered by Mr Grainger to Dr Bugg at the public hearing, purportedly minutes of the meetings held between the responsible Minister, the Chief Executive Officer and the then Chairman, including the document referred to by Mr Bugg as dated 17 January 2024; 13. an indication of which Board minute indicates the Board had concerns that Berth 3 would not be ready by the initial due date;

***TT-Line Response:***

*The material handed to Dr Bugg by Mr Grainger were extracts only from Regular Monthly Minister’s Briefing minutes. Mr Grainger took the documents back at the end of the meeting. All Regular Monthly Minister’s Briefing minutes have been provided to PAC.*

13. information, email, letter, notes of a phone call for example, of when the responsible Minister’s office or the Caretaker Minister was informed of the termination of the HBJV contract during the election period;

***TT-Line Response:***

*There was no termination of a contract as there never was a contract with HBJV other than the preliminary Letter of Commitment. The HBJV were only ever the Preferred Tenderers. Their penultimate quote was excessive compared to the first and they could not justify the increase in a reasonable manner. A large risk factor was shifted to TT-Line, and we had no real faith in the projected delivery dates. The Letter of Commitment (LOC) executed with HBJV was to enable long lead time purchases and work could continue until a contract could be negotiated, agreed and executed. As it came to pass,*

*the works were completed up until the expiry of the LOC and HBJV were asked to retender for the construction contract.*

and

14. a summary chronology of the important events and decision points around this matter.

***TT-Line Response:***

*The 2024.08 Full Extended Register & Chronology - Terminal 3 and RMC Contract Discussions Register attached to this response provided a chronological summary of all important events and dates around this matter including:*

- ***Table 1:*** provides the summary preliminary discussions and references documents (included with the response) regarding TT-Line assuming the role of constructing the terminal and the progression of the new vessel and terminal 3 construction projects,
- ***Table 2:*** illustrates where the TasPorts C48 Contract at Berth 3 Landlord Works with HBJV prohibited TT-Line's access to the critical path sites (made even more relevant by SMEC's view of the available Geotech report noted at item 31 of Table 1) notwithstanding TasPorts assertions TT-Line was provided with access consistent with the AFL (see also 2023.11.01 Overlay 1 and 2023.02.02 Overlay 2); and
- ***Table 3:*** TT-Line's Procurement Timeline outlines the tendering and procurement process of the first and second tenders and discussions with HBJV as the first Preferred Tenderer.

Should you have any further questions, please email [steve.maycock@spiritoftasmania.com.au](mailto:steve.maycock@spiritoftasmania.com.au)

Yours sincerely



Dr Damian Bugg  
**Interim Chair, Board of Directors**  
**On behalf of TT-Line Company Pty Ltd**

## Table 1: Rauma Marine Construction Contract Discussions Timeline

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
1.	2017	<b>Vessel Replacement Project (VRP) Business Case (original)</b>	Original VRP business case identified that port infrastructure upgrades would be required to support new vessels at both Port Melbourne and Devonport. Assumptions were that Berth 1E Devonport, and Station Pier would be upgraded by the Port Operators, and were reflected as long-term lease arrangements.	TT-Line has always maintained the position that the Port Operators would construct all required infrastructure and lease back to TT-Line. The expectation was that this would occur at Station Pier, Port Melbourne, and Berth 1E East Devonport
2.	Early 2019	<b>Commercial Discussions</b>	Initial discussions commenced on the commercial terms of existing TT-Line operations and upgraded infrastructure	
3.	19 <sup>th</sup> Jun 2019	<b>Steering Committee Meetings</b>	TasPorts advised that TT-Line could not retain the terminal the Berth 1E and that the TasPorts scope of works for Berth 3 did not include structures such as a passenger terminal, office accommodation, passenger vehicle check-in booths and elevated walkways.	Refer 2019.07.04 – Letter from BD to AD
4.	31 <sup>st</sup> Jul 2019	<b>Correspondence</b>	TT-Line continued to reiterate its position that all port infrastructure should be provided by TasPorts under a long-term lease arrangement	Refer 2019.07.31 – Letter from BD to AD
5.	10 <sup>th</sup> Oct 2019	<b>Correspondence</b>	TasPorts has maintained its position that the terminal operator be accountable for development above pavement level and advised the TasPorts Board were surprised that TT-Line would seek TasPorts to develop such a critical customer interface facility but were willing to consider including all development scope into the TasPorts project.	Refer 2019.11.10 - Letter from TP to TT-Line
6.	24 <sup>th</sup> Dec 2019	<b>MOU</b>	MOU executed with the intent that the Parties (TasPorts and TT-Line) execute transaction documents by 30 June 2020 for the Reconfiguration Project	Refer 2019.12.24 - MOU
7.	Febr 2020	<b>FSG Contracts</b>	Terminated FSG contracts and entered MOU with RMC	Due to the cancellation of contracts with FSG and the unknown dates and designs for new vessels, port infrastructure designs could not progress  Because didn't have a confirmed design for vessels could provide the detailed specifications that TasPorts required for Terminal 3



Item	Date	Reference	Key Points	Additional TT-Line Comments and References
8.	Apr 2020	GeelongPort Leases	Executed transaction documents with Geelong Port to construct a purpose-built terminal at Corio Quay, Geelong. GeelongPort undertook construction of all facilities based on TT-Line user requirements which are subject to a long-term lease (included changes to original design to incorporate RMC design)	First sailing occurred October 2022
9.	May 2020	Correspondence	Commercial discussions continued to clarify costs proposed for continued operations from Berth 1E and for the construction of Berth 3.  TasPorts proposing to increase TT-Line's operational costs by 250% originally saying it was not related to costs to construct Berth 3  TasPorts presented Bespoke capital costs of \$77.58m which if leased would be \$186m cost to TT-Line for a 25-year lease. TT-Line requested other options be considered.	Refer:  2020.05.18 – TasPorts Cost Summary  2020.05.22 – Email to KS re cost proposal from TasPorts  2020.05.28 – Letter to TasPorts re proposed price increases
10.	Jun 2020	Correspondence	TasPorts advised the proposed increase in operational costs were due to the cost of providing upgraded infrastructure (despite previously advising it was not related and was just bringing historical arrangements back to commercial terms).  TasPorts offered to transfer to TT-Line of part or all of the land and infrastructure at the new location selected. This would enable TT-Line to deliver independently of TasPorts the required upgrades to landside infrastructure and would negate the need for TT-Line to make wharfage and rent payments	Refer 2020.06.02 – Letter to TT-Line from TasPorts  <b>Reference made to original costing estimates and TT-Line's estimate of costs</b>
11.	Jun 2020	Correspondence	TT-Line Board agreed to fund the Bespoke capital items (i.e. TT-Line requirements for above ground terminal buildings) subject to the Government approving new vessel contracts and TASCORP approving borrowing requirements	Refer 2020.06.20 – email from BD to AD  This is where the estimate for the bespoke capital items by TTL was \$110M  Note email regarding funding and risk.  Pushed fixed annual fee for the arrangement at Terminal 3 based on arrangement at Geelong
12.	Jun 2020	Correspondence	TasPorts advised Bespoke capital would be 100% TT-Line's responsibility	Refer:

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
				<p>2020.06.24 – email from AD to BD</p> <p>2020.06.28 – Summary of discussions from BD to TT-Line Chair</p>
13.	Jun 2020	TasPorts & TT-Line Meeting Minutes	<p>Meeting held with TasPorts and TT-Line Chairman, CEO's, CFO's and COO</p> <p>TasPorts reiterated TT-Line had to fund all "above pavement works" and no work would commence until a complete commercial agreement was reached on all aspects of Berth 1E and Berth 3.</p> <p>TasPorts offered to consider a similar commercial arrangement to that between TT-Line and GeelongPort</p>	Refer: 2020.06.29 – Meeting minutes
14.	18 Jun 2020	Board Minutes	<p>Recommendation for the execution of new build contract with RMC:</p> <p><b>Resolution</b> - It is resolved that the Board approve the signing of the new build contracts with Rauma Marine Constructions (RMC) as presented in the Board Paper 299.06, for the purchase of two new vessels at 263,035,000 Euros for Hull NB6009, and 256,035,000 Euros for Hull NB6010, for delivery late 2022 and 2023, by the Chairman of the TT-Line Company Pty Ltd, subject to:</p> <ul style="list-style-type: none"> <li>• The approval by Management of the final Technical Specifications and the inclusion of the specifications in the contract;</li> <li>• The approval of the final letter of recommendation on the matters discussed at the Board meeting of 18 June 2020, which will be settled by circular correspondence by Directors;</li> <li>• The receipt of satisfactory advice from HFW on Refund Guarantees under Finnish law;</li> <li>• The approval of these contracts by the Shareholder Ministers; and</li> <li>• Subject to funding approval by TasCorp.</li> </ul> <p>MOU variation with RMC –</p>	

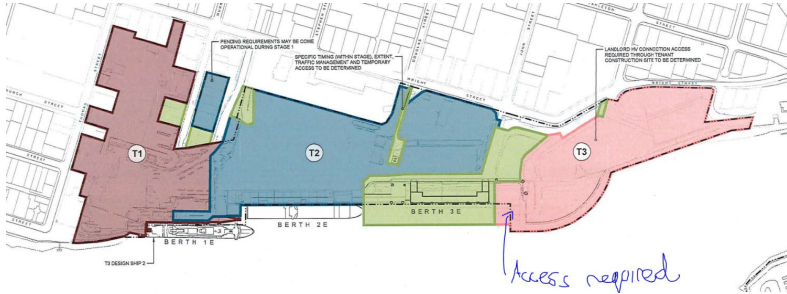
Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			<b>Extract</b> - The CEO advised the meeting that the Company has entered into a MOU variation with RMC to extend the contract signing date from 30 June 2020 to 14 July 2020. This extension allows for the guarantee of the building slots for the two new builds.	
15.	16 Jul 2020	Board Minutes	<p>Reference to non-approval of board recommendation re RMC contract –</p> <p><b>Chairman’s address extract</b> - The Chairman advised that he received a telephone call from our Minister on 15 July 2020 to advise him that the Board’s recommendation to sign contracts with Rauma Marine Constructions (RMC) had not been approved by the Government at this time.</p> <p>The Chairman advised he had met with the Premier on Sunday morning and the Premier had alluded to the Government’s making this decision at that time.</p> <p>The Chairman advised that a Western Australian shipbuilder, through a Western Australian Liberal Senator, had put forward a proposal to the Prime Minister to build TT-Line’s vessels in Australia. This proposal was raised by the Prime Minister with Tasmania’s Premier. The Company was able to advise the Premier that this was not a valid option for the Company.</p> <p>TT-Line is now waiting on correspondence from the Shareholder Ministers to confirm this decision.</p> <p>TT-Line will then need to advise RMC and HFW.</p> <p>The Chairman noted that this result is disappointing for the Board and Management who have made considerable efforts to research, analyse and complete this complex proposal.</p> <p>In response to a question from a Director, the Chairman advised that the Minister did not give a time frame as to when a proposal for new vessels may be looked at again.</p>	
16.	20 Jul 2020	Monthly Ministerial Briefings	The Minister acknowledged and expressed his appreciation of all the work that has been done by the Board and Management on Vessel Replacement to	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			<p>date and advised that unfortunately Covid-19 has caused the Government to reject the Board's recommendation at this time.</p> <p>In response to a question from the Minister the CEO advised RMC were notified verbally of this decision on Friday 17 July 2020 and this would be followed up with a letter confirming this decision. RMC are currently working with TT-Line in relation to Media releases and have agreed not to send out any releases until after the Tasmanian Government have made their public announcement.</p> <p>In response to a question from the Minister, the CEO advised that RMC were surprised and disappointed at this decision, especially as the contracts were close to being signed. The CEO advised that the relationship with the yard was still very good and that they would be willing to work with TT-Line in the future if we were to reconsider our position.</p> <p>The CEO advised that RMC are still keen to understand the next steps in the Government's vessel replacement process.</p> <p>In response to a question from the Minister, the CEO advised that RMC would still like to build the vessels for TT-Line and would like to know what they can do to assist us in this process, including the requirement for additional Australian/Tasmanian content.</p> <p>The Chairman advised that the relationship with the yard going forward would be different due to the late withdrawal from this process by TT-Line.</p>	
17.	21 Jul 2020	Vessel Replacement Taskforce	<p>The Government established a Taskforce to investigate options for Tasmanian and Australian businesses to have a greater role in the construction of TT-Line Company Pty Ltd's (TT-Line's) new vessels.</p> <p>The Terms of Reference for the Taskforce state that the purpose of the Taskforce is to provide advice to the Government on:</p> <ul style="list-style-type: none"> <li>options to replace TT-Line's vessels, which meet the freight and passenger volume projections that are expected in the medium to long term; and</li> <li>the opportunity for Tasmanian and Australian businesses to contribute to the replacement of the vessels.</li> </ul>	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
18.	11 Aug 2020	Monthly Ministerial Briefings	<p>The Minister advised that Cabinet had established the Government’s Task Force to review vessel replacement options on 10 August 2020. The Minister advised Mr Dwyer that Cabinet had approved his appointment to this Task Force. The Minister advised that the Task Force would commence meeting shortly.</p> <p>The CEO advised the Minister that he was continuing to stay in contact with RMC and he noted that they are still interested in assisting TT-Line in this process.</p> <p>The Minister advised that he welcomed the CEO keeping in contact with RMC. The Minister advised that he believed this review process by the Task Force would take approximately six months.</p>	
19.	Aug 2020	Vessel Replacement Taskforce (VRT)	Vessel Replacement Project paused as Government implemented taskforce to review vessels options	<p>Port Infrastructure options could not progress</p> <p>Could not progress with TasPorts MOU as ship build project was paused while Govt assessed options</p>
20.	Dec 2020	MOU Cancellation	<p>TasPorts cancel MOU with TT-Line due to transaction documents not being executed.</p> <p>TT-Line could not finalise commercial arrangements when the VRP had been paused</p>	<p>Refer 2020.12.01 – Cancellation of MOU</p> <p>TTL was not provided with reason and advised TasPort TTL did not accept the cancellation. (see item 16)</p> <p>TTL could not finalise design as did not know what vessels would be arriving</p>
21.	Jan 2021	MOU Cancellation	TT-Line advised TasPorts they do not consent to the cancellation of the MOU and wish to continue discussions	Refer 2021.01.21 – TasPorts letter to TT-Line
22.	Mar 2021	Vessel Replacement Taskforce	VRT hands down its findings and following consideration of the VRT report the Tasmanian Government makes the decision to re-enter negotiations with Rauma Marine Constructions (RMC) to deliver two new steel monohull vessels with increased Tasmanian local content.	
23.	15 Apr 2021	RMC Contracts	Two contracts were executed for the build of two new Ro-Pax ferries, one for Hull 6009 (SPOT IV) and one for Hull 6010 (SPOT V) (“the Contracts”).	NB6009 and NB6010 – approx. €519 to €544

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
24.	25 May 2021	RMC Side letter No. 1	Executed side letter to the Contracts in relation to extending the refund guarantees issued.	
25.	June 2021	MOU / Term Sheet	MOU / Term sheet entered into between TT-Line and TasPorts agreeing the works to be done by both parties, including TasPorts to project manage TT-Line's works	Refer 2021.06.29 – Executed MOU with TasPorts for Terminal 3
26.	1 Jul 2021	RMC Side letter No. 2	Executed side letter to the Contracts in relation to the Wärtsilä Load Ramp Guarantee.	
27.	8 Sep 2021	TASPORTS-TRANSMIT-000523	Functional User Requirements provided to TTL proposed to be included in AFL. This identified the scope to be delivered by TasPorts in the project	
28.	Nov 2021		TasPorts Project Management contract	
29.	24 Dec 2021		TT-Line and TasPorts approve (By way of signature from Senior Project Manager at the time) the Functional User Requirements	
30.	17 Mar 2022		TT-Line and TasPorts approve an addendum to the FUR which includes the FUR of the Tenant Works (This was included in the AFL to be signed)	
31.	13 Apr 2022	"Geotechnical Gap Analysis" SMEC Report		<p>Geotechnical Gap Analysis was completed by expert geotechnical advisors on the TasPorts provided information of the site. This report concluded:</p> <p><b><i>"Overall, for the marine structures (and for the land side pedestrian walkway), the number of boreholes and the data collected does not appear to be suitable for detailed design of piled foundations. This is based upon the minimum requirements specified by AS 5100 of one borehole for each foundation location, when considering a site of high soil profile variability.</i></b></p>

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
				<p><i>The land side earthworks and pavements appear to map the upper soil profile sufficiently to estimate soil parameters. No further investigation (by test pitting, pavement dipping or otherwise) is proposed at this stage, however confirmatory testing during construction is recommended to confirm the design assumptions. Should the concept, levels or falls change, this will be subject to further review.</i></p> <p><i>A summary of the key issues is:</i></p> <ul style="list-style-type: none"> <li><i>Following preliminary interpretive assessment of the soil and rock profiles, the site appears to be highly variable in both surface and strength of various materials. For example, when considering the piled marine structures, the underlying basalt rock varies in weathering (and strength) both in layering of the vertical profile and as well as horizontal extents.</i></li> <li><i>Factoring in the historical dredging activities, the remaining rock profile requires tight spacings of investigation locations to properly quantify its engineering properties.</i></li> <li><i>This leaves uncertainty surrounding an appropriate ground model for determining pile lengths and the driveability, and hence, construction considerations when ordering pile lengths."</i></li> </ul>
32.	19 Apr 2022	RMC Side letter No. 3	Executed side letter to the Contracts in relation to extending the refund guarantees issued with RMC.	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
33.	25 Apr 2022	Letter to Minister	The letter advised the Minister (and Treasurer) of the negotiated Contract Price increase of €8M in the contract price to cover steel price increases due to the war in Ukraine for Hull 6009 (First Contract Price change)	
34.	31 May 2022	NB6009 Amendment No 1	Executed an amendment to the contract for Hull 6009 to change of the Contract Price due to unforeseen price increase of the shipbuilding steel products (steel plates and profiles) as a result of Russo-Ukraine war, and to respective change of the Construction Milestones and the Delivery Date.	
35.	Jul 2022		TT-Line and TasPorts execute transaction documents for leases for T1 and AFL for T3	
36.	28 Jul 2022	Transaction Documents Agreement for Lease T3	<p><b>AFL EXECUTED</b></p> <p>AFL Executed between TasPorts and TT-Line. Key Milestones in schedule include:</p> <ol style="list-style-type: none"> <li>1. Completion of Reclamation (SP1) by 23/06/2023</li> <li>2. Completion of Wharf (SP2) by 26/04/24</li> </ol> <p>The staging plans assumed TT-Line access to the Berth Pocket and Reclamation on the completion of SP1 by <b>23 June 2023</b></p>  <p>TT-Line and TasPorts execute transaction documents for lease for T1</p>	
37.	10 Aug 2022	TASPORTS-RFI-000100	<p><b>Geotech Scope Request from TasPorts</b></p> <p>TasPorts requested detail around scope and timing of proposed geotechnical investigations</p>	



Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			<p>Noted that C48 Contractor will have control of majority of the site by Late August 2022 and access will be provisional subject to program and access requirements of the C48 Contractor</p> <p>Additionally noted that access will be subject to AFL requirements including insurance, etc</p>	
38.	Aug 2022		C48 Contract for Marine and Dredge Works executed between TasPorts and HBJV	
39.	28 Oct 2022	NB6010 Amendment No 1	Executed an amendment to the contract for Hull 6010 to reflect to the Construction milestones and delivery date.	
40.	28 Oct 2022	NB6009 & NB6010 Amendment No 2	Executed an amendment to the contracts to reflect changes in the Builder's bank account	
41.	14 Nov 2022	TASPORTS-TRANSMIT-001127	<p><b>NOT009 - REQUIREMENTS FOR GEOTECHNICAL INVESTIGATION</b></p> <p>TasPorts issued summary of requirements to permit TTL Geotechnical study to be provided by TTL</p>	<p>These had apparently been requested for over 6 months and had not been provided by SwitchCo who were acting as the TTL PM at the time.</p> <p>Statement regarding Potential impacts:  <i>"Whilst TasPorts appreciate the importance of the Tenant Works geotechnical investigations and will cooperatively explore possibilities with TT-Line, TasPorts cannot compromise the requirements of the AFL including by allowing any Tenant Works that will interfere with the progress or delay the Landlord Works Marine and Dredge Works being performed by Hazel Brady Joint Venture ("HBJV") given there is no right of access under the AFL in the circumstances. "</i> </p>
42.	17 Nov 2022	TTLine-GCOR-000139	Methodology for Scope of Geotechnical Investigation provided to TasPorts review	
43.	Dec 2022	SWITCHCO and TasPorts	Multiple correspondence between SWITCHCO and TasPorts attempting to work through TasPorts requirements to permit the works.	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
		correspondence exchange	Works did not proceed	
44.	22 Dec 2022	Letter from TasPorts COO RE: Agreement for Lease	<p><b>COO LETTER REGARDING TTL AND AFL</b></p> <p>Letter highlighted concerns regarding TT-Lines administration of the AFL including failure to comply with requirements, potential interruption to Landlord Works due to TT-Line Geotechnical Works and ongoing variation requests to Landlord Works</p> <p>Statement from COO regarding Geotechnical</p> <p><i>"TT-Line's proposed geotechnical campaign is another cause for concern. This is despite TasPorts providing, in good faith, geotechnical records as Background Site Information under the AFL and potential suppliers for TT-Line's consideration to complete the works since November 2021.</i></p> <p><i>TasPorts has been clear, via the Master Schedule in the AFL, various correspondence, RFIs and fortnightly interface meetings with TT-Line that Hazel Brady JV ("HBJV"), its Marine and Dredge Contractor, would mobilise to the Terminal 3 site in Q3 2022 and that geotechnical investigations would be very challenging once they have mobilised, which has now occurred."</i></p>	Lack of Access to Areas required for Geotechnical Investigation (HBJV C48 Presence)
45.	31 Jan 2023	Letter from TTL to TasPorts in response to TasPorts COO letter RE AFL	Letter advising impact of lack of geotechnical access and commitment to work towards meeting AFL Obligations	<p>Lack of Access to Key Areas required for Geotechnical Investigation (HBJV C48 Presence)</p> <p>Tender documents are prepared based on available information from existing records</p> <p>With respect to Geotechnical Access, TT-Line advise:</p> <p><i>"Tenant Works Geotechnical Investigation The obtaining of relevant geotechnical information is a critical item that restricted access to the Premises is preventing the finalization of many aspects of the Tenant</i></p>

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
				<p><i>Works designs and planning of subsequent construction activities.</i></p> <p><i>TT-Line, in conjunction with its contractors, has spent considerable time and effort in identifying and coordinating works around the work site and disagrees with your assertion that the geotechnical activities were planned to be undertaken irrespective of any impact to the Landlord's programme of works and the HBJV's site activities.</i></p> <p><i>The strategy has always been to identify any opportunities to complete the work without impacting any Landlord's work in progress. TT-Line is continuing to explore options to satisfy other requirements including relevant WH&amp;S obligations as a Principal Contractor.</i></p> <p><i>TT-Line continues to appreciate the assistance TasPorts and the Joint Venture teams have provided facilitating these works and arranging the Construction Licenses and looks forward to this continued effort in coordinating these works in the coming months."</i></p>
46.	6 Feb 2023	TasPorts CCMSC	Termination of Construction Contract Management Services Contract (CCMSC) on basis of providing no gain or value to TTL	
47.	6 Feb 2023	Letter from TasPorts regarding termination of CCMSC	Termination for convenience of CCMSC and associated Licence and use agreement	2023.02.06 Acting CEO, Stephen Casey Approved Letter - Termination of CCMSC and LUA - Monday 6 FEB 23

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
48.	12 May 2023	TASPORTS-TRANSMIT-001362	<p><b>TASPORTS APPROVE ACCESS TO SITE FOR GEOTECHNICAL INVESTIGATION TO SELECT AREAS UNDER HBJV CONTROL</b></p> <p>Construction license issued permitting TTL Geotechnical study to proceed on site to accessible areas not occupied for works by HBJV C48 activities.</p>	<p>TTL engaged HBJV to complete the study to accessible parts of the site. This was largely the landside areas (freight and passenger yards) and did not include locations in berth pocket or reclamation where many of the piled structures were located.</p> <p>Upon completion of available Geotech and progression of reports and design, tender documents are updated by way of addendum. Design is still omitting key geotechnical info but access to marine areas is not available due to ongoing HBJV C48 Works including both to the Reclamation, dredging and Wharf</p>
49.	14 May 2023	NB6010 Amendment No 3	Executed an amendment to the contract for Hull 6010 to reflect to the Construction milestones.	
50.	11 Aug 2023	NB6009 Amendment No 3	Executed an amendment to the contract for Hull 6009 to reflect agreed changes to payment timelines to be based on a percentage of completion of the build noting no change to overall contract price and all other terms and conditions remain the same.	
51.	14 May 2023	NB6010 Amendment No 4	Executed an amendment to the contract for Hull 6010 to reflect agreed changes to payment timelines to be based on a percentage of completion of the build noting no change to overall contract price and all other terms and conditions remain the same.	
52.	26 Jun 2023	TasPorts Agreement for Lease Staging Plan	TT-Line to be provided access to the Terminal 3 construction to begin critical path works providing 12 months in total for completion of the project.	
53.	27 Jul 2023	Monthly Ministerial Meeting	CEO and Chairman advise Minister that access to the Terminal Site to begin critical path works is now September 2023.	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
54.	14 Aug 2023	Monthly Ministerial Briefing	CEO and Chairman advised Minister TT-Line have been advised by TasPorts the Company will not be allowed on the site to begin critical path works until end of August/beginning of September	
55.	23 Oct 2023	Monthly Ministerial Briefing	<p>CEO and Chairman advised the Minister:</p> <ul style="list-style-type: none"> <li>• TT-Line still does not have access to begin critical path works which was due in June 2023</li> <li>• The Company is looking at providing limited service and working around the schedule of the ships should the Project be delayed</li> <li>• TT-Line cannot provide an actual date for completion with any confidence until it knows when it can access the site also noting some parts of the construction cannot be accelerated and it will be important to revisit the staging once the company has more certainty</li> <li>• of the contractor issues and that it is working to leverage existing works especially in relation to mobilisation costs etc.</li> <li>• The Minister advised it is important to keep on track for July 2024 and was advised the last week of July (around 24th July) remains the target.</li> <li>• The Minister advised he will arrange a meeting between the two CEOs and project teams to discuss progress.</li> </ul>	
56.	16 Nov 2023	Board Minutes	The MD/CEO advised that TasPorts have asserted we already have access to the site, but we have not yet received official notification of access. Onsite construction is expected to commence in mid-December, and a survey is underway to expedite the timeframe. A fixed-price contract, encompassing escalated prices, is yet to be signed. Despite facing pushback on the additional Christmas shutdown period, all necessary work for piling has been completed, and efforts are now directed towards site cleanup for safe access. Level 3 is anticipated to be achieved by the end of July, aligning with the port's requirements. The MD/CEO expressed confidence in meeting this deadline.	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
57.	17 Nov 2023	Monthly Ministerial Briefing	The CEO and Chairman advised the Minister that the project is in reasonable shape notwithstanding ongoing delays in access by TasPorts and the Company is looking at different options to ensure ships get into service as early as practicable	
58.	24 Nov 2023	HA GBE Scrutiny	See extract from Hansard 2022.12.01	
59.	24 Nov 2023	LC GBE Scrutiny	See extract from Hansard	
60.	1 Dec 2023	Email – P&M to TT-Line	<b>FURTHER GEOTECHNICAL INVESTIGATION IDENTIFIED BY DESIGNERS</b>  Scope Developed for Phase 5 (Additional) Geotechnical Investigation. This proceeds with HBJV under LOC to accessible areas on the site (no marine access available)	Marine Location access still outstanding
61.	11 Dec 2023	Letter – Tascorp to TT-Line	Approving: <ul style="list-style-type: none"> <li>an increase in the Vessel Replacement Project (VRP) Loan Facility limit from \$700 million to \$990 million and maintenance of the \$45 million Working Capital Facility;</li> <li>an amendment of the VRP loan facility's term limit from 15 years to 25 years, with an amortising schedule to be determined once the VRP is fully drawn; and</li> <li>relinquishment of the existing Deed of Guarantee and associated Term Sheets dated on or about 21 March 2023.</li> </ul> Subject to the Treasurer confirming the maximum amount guaranteed by the State is increased to \$1.035B.	
62.	13 Dec 2023	Letter – TT-line to Treasurer	Requesting an increase in the borrowing facility from TasCorp as approved by the Board to a total \$1.035M (made up of a \$990M borrowing facility and \$45M working capital facility up from \$700M and \$45M respectively) noting: <ul style="list-style-type: none"> <li>"The funding requirements to deliver the required infrastructure at Berth Three in Devonport have increase significantly as a result of an escalation in the construction costs due to a number of factors</li> </ul>	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			<p><i>including civil construction cost increase, project staging and delayed access to the site."</i></p> <ul style="list-style-type: none"> <li><i>"Updated financial forecasts were undertaken to reflect revised construction costs for port infrastructure and these identified a maximum funding requirement of a \$990 million facility and the \$45 million working capital account."</i></li> </ul>	
63.	21 Dec 2023	Monthly Ministerial Briefing	The CEO and Chairman advised the Minister that running berth three prior to assembly of the gantry is being considered and TasPorts have suggested running both the new and old vessels from Berth 1 in the meantime until berth 3 is available and the Company is investigating that option noting the process will need sign off by the Harbourmaster and any impact on SeaRoad will have to be considered	
64.	8 Jan 2024	Letter – Treasurer to TT-Line	Advising TT-Line the request at Item 21 for the maximum increased borrowing amount to a total of \$1.035M is approved noting <i>"the request is driven by increase cost estimates for new terminal infrastructure at Devonport."</i>	
65.	14 Feb 2024	Premier's Office	Tasmanian State election called for 23 March 2024	
66.	14 Feb 2024	Premier's Secretary to TT-Line	Letter advising TT-Line the Government has assumed a caretaker role advising the Caretaker Period will continue until the outcome of the election is clear (attaching a copy of the 2024 Caretaker Conventions).	
67.	15 Feb 2024	Board Meeting	The Board considered and approved a requested change to the payment milestone structure only, in response to a request from RMC.	
68.	16 Feb 2024	Letter from Treasury Director	Treasury sought via letter an update on the Ship Replacement Project	
69.	20 Feb 2024	Letter from TT-Line to Treasury	TT-Line sent a detailed letter to Treasury outlining the status of the project as requested.	
70.	28 Feb 2024	NB6009 Amendment No 4	Executed an amendment to the contract for Hull 6009 to reflect agreed changes to payment timelines to be based on a percentage of completion of	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			the build noting no change to overall contract price and all other terms and conditions remain the same.	
71.	29 Feb 2024	Briefing with major parties	The Chairman, CEO and CFO attended a Treasury briefing with both major parties to advise of the status of the procurement of new vessels and its current difficulties:09:00am – Minister Ferguson and James Abbot (DPAC) 11:30am – Hon Rebecca White MP and Hon Shane Broad MP.	
72.	Feb 2024	TasPorts Monthly CEO's Report	TasPorts monthly CEO report	
73.	5 Mar 2024	Letter RMC to TTL	Outlining the proposal by RMC to increase the Contract Price of the Contracts.	
74.	06/03/2024	TTLline-TENCOR-000001	<b>ACCESS REQUESTED TO COMPLETE MARINE GEOTECHNICAL TESTING FROM TASPORTS</b>  Access to complete a test pile required to inform construction methodology requested by TTL  TasPorts advise technical requirements and state that the works are not to delay or disrupt the C48 works which were still ongoing in this area.	Marine Location access still outstanding
75.	15 Mar 2024	TTL Board Meeting	RMC provided a presentation to the issues it is currently facing. The Board considered detailed options related to the Contracts and how to proceed in light of the additional information received from RMC. The Board approved an increase in the Contract Price and the ability for the Chairman and the CEO to negotiate any further price change up to a board agreed maximum.	
76.	21 Mar 2024	Email Finnish Govt to TTL Chairman	The email attaching correspondence from the Finnish Government dated 20 March 2024 outlining issues for consideration by the Company's Board in relation to the ship build project.	
77.	21 Mar 2024	TTL Board Meeting	The Board considered additional information received from the Finnish Government and the options open to it as previously advised on 15 March 2024. The Board considered in detail the potential impacts on the Company's financial position. The Board approved the further increase in the Contract	





Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			Price subject to several strict conditions including approval by the Tasmanian Government and on the basis all other terms and condition remain with the exception of the delayed delivery but retaining the drop-dead date for both hulls.	
78.	21 Mar 2024	Email Chairman to Finnish Govt	Email advising the Finnish Government the Company agreed to the Contract Price Variation subject to several conditions as approved by the Board in item 34 above.	
79.	22 Mar 2024	Email TTL to Treasury	<p>Further to a telephone call earlier the email advises Treasury the agreed amendment to the Contract Price and seeks confirmation of previous advice from the State that, as the contract is still on foot, any increase in Contract Price is a matter for the Board to manage and does not require approval from the Government.</p> <p>The email also noted the Company has previously consulted with the Shareholder Minister and Treasury verbally on this matter.</p>	
80.	22 Mar 2024	Email Treasury to TTL	<p>Treasury confirms the assessment in the email at Item 36 above is correct.</p> <p>The approval from the Minister or Treasury is not required for contracts already underway.</p>	
81.	23 Mar 2024		Tasmanian State election held.	
82.	26 Mar 2024	HFW to TTL	Legal advice received for consideration by the Board.	
83.	3 April 2024	Terminal 3 Works	<p><b>GEOTECHNICAL INVESTIGATION PROGRESSES ON SITE</b></p> <p>Geotechnical investigation progresses with exception of Marine Boreholes as TT-Line <b>are unable to progress due to the ongoing Barge operations under C48 Contract</b> (4 locations)</p>	
84.	4 Apr 2024	NB6009 Amendment No 5	Executed an amendment to the contract for Hull 6009 to reflect an agreed increase in contract price on condition that any costs required to complete the Vessel in excess of the Contract Price (as increased by the Buyer Contribution) (the <b>Excess Costs</b> ) are paid directly to the Builder by the Government of Finland (the <b>GoF</b> ) through its investment company Finnish	

Item	Date	Reference	Key Points	Additional TT-Line Comments and References
			<p>Industry Investment Ltd. TT-Line reserved the right to suspend payments and / or terminate the contract if this does not occur.</p> <p>The Builder confirms that the Buyer Contribution and the Excess Costs shall be used solely for completing and delivering the Vessel and NB6010 (and corporate overheads) and undertakes not to withdraw capital for any other purpose prior to delivery of NB6010.</p> <p>The entitlement to liquidated damages for delayed delivery is waived.</p> <p>All other terms and conditions remain.</p>	
85.	4 Apr 2024	NB6010 Amendment No 5	<p>Executed an amendment to the contract for Hull 6010 to reflect an agreed increase in contract price on condition that any costs required to complete the Vessel in excess of the Contract Price (as increased by the Buyer Contribution) (the Excess Costs) are paid directly to the Builder by the GoF through its investment company Finnish Industry Investment Ltd. TT-Line reserved the right to suspend payments and / or terminate the contract if this does not occur.</p> <p>The Builder confirms that the Buyer Contribution and the Excess Costs shall be used solely for completing and delivering the Vessel and NB6009 (and corporate overheads) and undertakes not to withdraw capital for any other purpose prior to delivery of the Vessel.</p> <p>The entitlement to liquidated damages for delayed delivery is waived except for the “Drop Dead Date” which remains in force on both vessels.</p> <p>All other terms and conditions remain.</p>	
86.	5 Apr 2024	Letter to Minister	<p>TT-Line advises the Minister in writing of the agreed increase of €50M in the Contract Price for the two vessels previously discussed providing background on why the increases were agreed based on a compelling commercial requirement. (Second Contract Price Change – see Item 5)</p>	
87.	10 Apr 2024		Final results in 2024 State election declared	
88.	24 May 2025		<p><b>MARINE GEOTECH ACCESS PROVIDED</b></p> <p>Drilling works to outstanding Marine Boreholes are completed (TasPorts C48 barge demobilized)</p>	




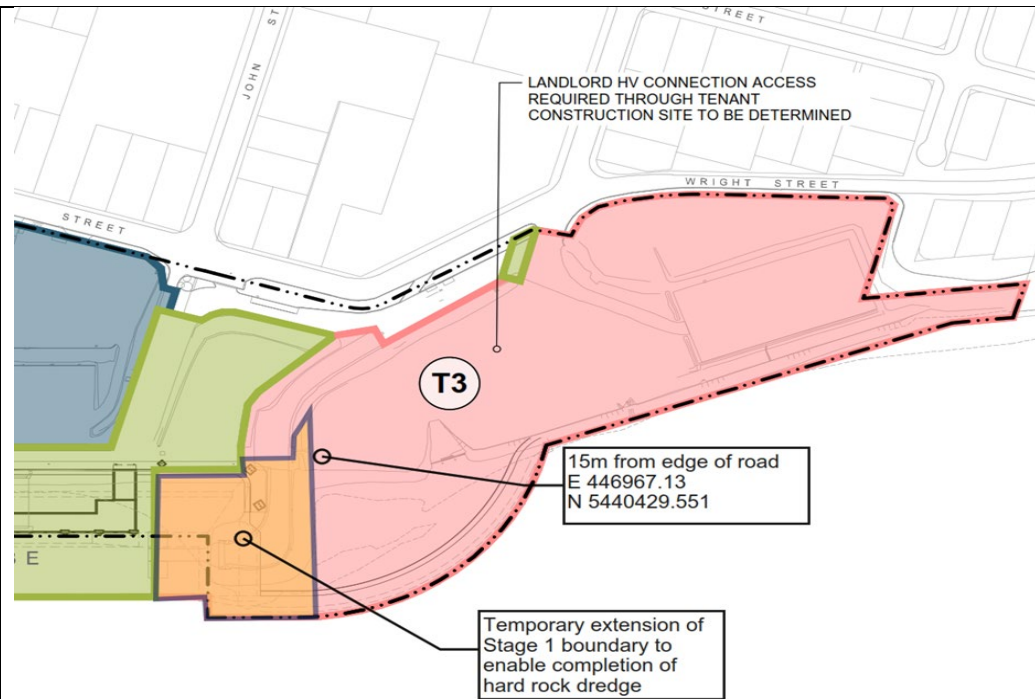
Table 2: TasPorts C48 Contract at Berth 3 (HBJV) WORKS

Date	ID	Key Points	TT-Line IMPACT
Aug 2022	Various articles	TasPorts signs contract with Hazel Brothers - Brady Marine Joint Venture (HBJV) for Marine and Dredge (Landlord Works) to T3	
		WORKS PROCEED ON SITE	
19 Oct 2022	NearMap Aerial Photography		

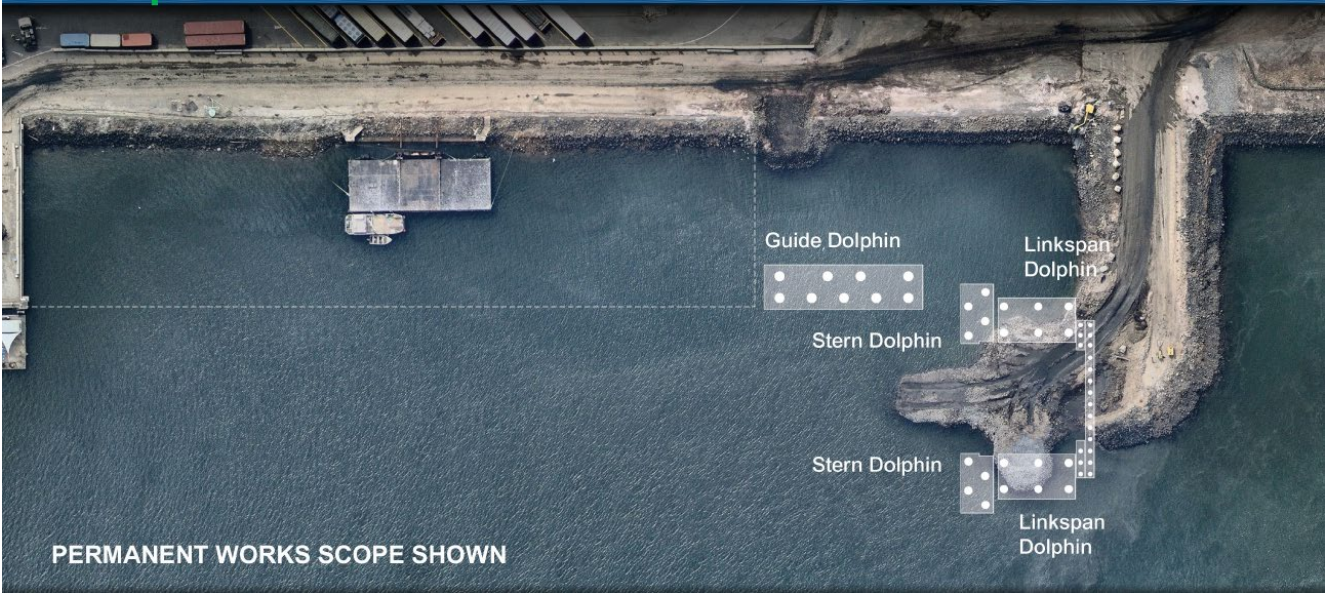
Date	ID	Key Points	TT-Line IMPACT
17 Feb 2023	NearMap Aerial Photography photo of site on 17/02/2023		On Feb 17 TasPorts started dredging and constructing reclamation bund TasPorts would not allow TT-Line to have access to do any work in that area.
24 Apr 2023	Email from Brady Marine Managing Director	<b>Proposal Received from HBJV to undertake TT-Line Marine Piling works.</b> This is offered due to an oversight in the TasPorts/HBJV Design that placed scour protection around the areas where TT-Line was to undertake extensive foundation works that would be unable to proceed if the scour protection was installed.	
10 May 2023	Letter from P&M Consultants regarding HBJV proposal for Marine Piling " <i>Devonport T3 Development_HBJV proposal for piling.pdf</i> "	Specialist advice was sought from TT-Line technical advisors to assess the viability of the HBJV Proposal to undertake TT-Line Marine Piling. In summary, it was advised that <i>"this approach will have a significant impact on the overall T3 program and potentially cost increases in view of the other impacts on construction interface and constrained space."</i> TT-Line thereby elected not to proceed with the proposal offered by HBJV due to the significant risk profile. The tender for the T3 contract was also in progress which included this work.	
Period ending June 2023	AFL Steering Committee Update	<b>TasPorts Update:</b> Minor progress of Dredging in June due to breakdown of excavator machine. Reportedly 93% complete. Reclamation still in progress along with other wharf works	
Period Ending July 2023	AFL Steering Committee update	<b>TasPorts Update:</b> Dredging still in progress, only a small portion of hard rock remains. Reclamation construction still in progress along with other wharf works	
Period Ending August 2023	AFL Steering Committee update	<b>TasPorts Update:</b> Dredging delayed due to presence of hard bed rock. Reclamation bund still in progress along with other wharf works	




<p>27 Sep 2023</p>	<p>TASPORTS- TENCORR-000135</p>	<p><b>TasPorts issue Aconex message asserting that the continuing construction activities are not delaying Tenant Works due to TTL not having appointed a Contractor.</b></p> <p>TasPorts claim that TT-Line is able to commence works while the dredging continues.</p> <p>TasPorts state that the below areas represented in the figures are available for works to commence, it is noted that this area includes <b>all the area for the TT-Line critical path geotechnical and marine construction scope.</b></p> 	<p>Ongoing dredging and barge operations prevent any geotechnical or site works by TT-Line see "Permanent Works Scope"</p>
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The Wharf works are also asserted by TasPorts to not be preventing the Tenant Works by TT-Line however TasPorts do not articulate how as it is clear from the aerial photographs that the HBJV barge operations occupy a majority of the marine areas around Berth 3.

Date	ID	Key Points	TT-Line IMPACT
		<div><p>PERMANENT WORKS SCOPE SHOWN</p><p>The above photo details via an overlay the locations of TT-Lines Marine Infrastructure that is inaccessible in this area and how the presence of the barge in the next two photos extending through November 2023 and February 2024 is impacting access for the TT-Line Tenant Works to proceed.</p></div>	



Date	ID	Key Points	TT-Line IMPACT
01 Nov 2023	NearMap Aerial Photography photo of site on 01 Nov 2023		Ongoing dredging and barge operations prevent any geotechnical or site works by TT-Line. TasPorts advised dredging had been completed but the overhead picture shows the orange excavator still working and access to berth pocket for TT-Line to carry out the required Geotech work is not possible.
Period Ending September 2023	AFL Steering Committee update	TasPorts Update: <b>Dredging delayed</b> , 550 m3 of hard rock remaining Reclamation bund still in progress along with other wharf works	See also Overlay 1 and 2
Period ending October 2023	AFL Steering Committee update	TasPorts Update: <b>Dredging works completed</b> , trim and handover of SP1 in coming weeks .  Wharf construction still in progress	See also Overlay 1 and 2
Period ending November 2023	AFL Steering Committee update	TasPorts Update: <b>Dredging was completed on 7 November 2023.</b>  Wharf Construction still in progress	See also Overlay 1 and 2
01 Dec 2023	TTLine-RFI-000025	Separable Portion 1 completion inspection scheduled for 8th December 2023.  Wharf Construction still in progress	

Date	ID	Key Points	TT-Line IMPACT
07 Feb 2024	NearMap Aerial Photography photo of site on 07 Feb 2024	 <p>Note that the barge is still completing work in and around berth pocket so no work can be done as the barge was working on the wharf and work toward the later part of the program had barge even further south. No chance of competing any work around there is impossible. Relevantly this was critical path work for TT-line.</p>	Notwithstanding claims by TasPorts that the dredging work was completed by 7 November 2023, it is clear from the aerial photograph that ongoing dredging and barge operations prevent any geotechnical or site works by TT-Line.
08 Jul 2024	TASPORTS-TRANSMIT-001886	Notice of Practical Completion for Separable Portion 2 received from TasPorts. This excludes work to complete scour protection as it is awaiting the completion of TTL piling work not able to be completed yet	

### Table 3: TT-Line's PROCUREMENT TIMELINE

Date	ID	Key Points	TT-Line Comments
21 Dec 2022	TENDERLINK TT-LIN-1045567	TT-Line issues EOI for T3 Works	
01 May 2023	TENDERLINK TT-LIN-1058075	TT-Line issues Tender Documents for T3 Works Package to 2 x Contractors (BMD and HBJV)	
18 Jul 2023		Following completion of available Geotechnical investigation and revision to Tender Design, TT-Line issues Addendum to tender documents	
11 Aug 2023		TT-Line closes Tender, received 2 x offers for the Project. Evaluation and assessment process progresses through TT-lines advisors	
27 Oct 2023	Email Brady Marine	TT-Line appoints HBJV as Preferred Tenderer for the Project.	
14 Nov 2023	Letter of Commitment: Devonport East Berth E3 Redevelopment ( <i>LOC 1 - 14.11.23.pdf</i> )	<p>TT-Line issues HBJV the Letter of Commitment (LOC). Under the LOC TT-Line advises that TT-Line:</p> <ul style="list-style-type: none"> <li><i>a. has received a tender proposal from an unincorporated joint venture of Hazell Bros Group Pty Ltd and Brady Marine &amp; Civil Pty Ltd (HBJV) (Tender Proposal) in response to the Request for Tender for the redevelopment works at Devonport Quaylink TT Line Terminal 3 (Project);</i></li> <li><i>b. are currently assessing tender proposals received, including the Tender Proposal, with the intention of awarding a contract on an amended form of AS4902 Construction Contract for the Project (Contract) as soon as possible;</i></li> <li><i>c. wishes to facilitate the expeditious development of the Project by engaging HBJV to undertake the Preliminary Activities set out in this Letter of Commitment on the terms set out below."</i></li> </ul> <p>HBJV had an on-site presence already completing the C48 Contract for TasPorts, so were able to mobilize quickly to complete accessible site investigations requested by TT-line. Site investigations proceed to areas not occupied by works for TasPorts C48 Contract.</p>	
21 Dec 2023	Letter of Commitment Extension Letter ( <i>LOC 2 - 21.12.23.pdf</i> )	Letter of Commitment Extension Letter issued to HBJV extending the validity of the agreement to 31 January 2024	
21 Dec 2023	Email to Brady Marine	Following Design incorporation of geotechnical design (obtained from 2023 site investigations) updated IFC drawings are issued to HBJV for incorporation into offer.	
31 Jan 2024	Letter of Commitment Extension Letter 2	Letter of Commitment Extension Letter 2 issued to HBJV extending the validity of the agreement to 29 February 2024	

Date	ID	Key Points	TT-Line Comments
	(LOC 3 - 31.02.24.pdf)		
20 Feb 2024	Email from HBJV	HBJV submit updated offer for project upon review of updated drawings for \$229m. This presented a \$76.7m increase on their original tender offer and program changes.	
22 Feb 2024	Email from T TT-Line to North Projects	North Projects, specialist construction cost advisory engaged to complete review of updated cost and program submitted by HBJV to assess whether it presented Value for Money reflective of the design changes in the updated drawings and risk.	
29 Feb 2024	Letter of Commitment Extension Letter 3 (LOC 4 - 29.02.24.pdf)	Letter of Commitment Extension 3 issued to HBJV extending the validity of the agreement to 31 March 2024	
26 Mar 2024	"Independent Advisor - HBJV March 2024" by North Projects	<p>North Projects, concluded that the updated offer from HBJV did not represent Value for Money to TT-Line and the risk of proceeding was unquantifiable. Report provided options to mitigate risk and progress procurement. Assessment process consisted of desktop assessment and two days of workshops attended by representatives of HBJV and TTL. Prior to the workshop HBJV advised that the reasoning for the significant increase was driven by scope growth in the IFC drawings.</p> <p>During the workshop HBJV advised that they carried out a retrospective review of their initial offer and their assumptions and revised their entire offer.</p> <p>Recommendations on options to progress included altering of the Cost Model to an Incentivised Target Cost (ITC) with HBJV were discussed.</p> <p>Discussions had already progressed with HBJV regarding conversion to this Cost Model however this was met with resistance to provide transparency on their estimate which is a fundamental step in establishing this cost model. A position was also stated by HBJV of requiring a significantly higher than market 22% for overhead and profit on the ITC cost model.</p> <p>Threats to remove plant and equipment from site currently undertaking LOC works was also made threatening project progress.</p>	
28 Mar 2024	"Board Briefing Paper" by North Projects	A briefing paper prepared by senior members of the North projects team was issued to TT-Line recommending the termination of the Preferred Tenderer status of HBJV, and to re-engage with BMD in a competitive intensive open-book tendering process.	
02 Apr 2024	Letter to HBJV regarding ITC Tender, LOC Extension and revoking of Preferred Tender Status "Letter to	<p>Letter advising HBJV that:</p> <ul style="list-style-type: none"> <li>TT-Line has been unable to satisfy itself that it is receiving value for money from the updated HBJV offer of \$229m (+\$76m on original tender offer)</li> </ul>	

Date	ID	Key Points	TT-Line Comments
	<i>HBJV re Change in Commercial Model, ITC Tender and LOC Extension 5 02.04.24"</i>	<ul style="list-style-type: none"> <li>• Conversion of cost model to an Incentivised Target Cost (ITC) Model</li> <li>• Revoking of preferred tenderer status of HBJV</li> <li>• Invitation to a competitive tender process using the ITC cost model</li> <li>• To allow for site works to proceed during this period, the LOC validity period was also extended to 30 April 2024.</li> </ul>	
27 May 2024	<i>Letter to HBJV re ITC Tender Outcome 27.05.24</i>	HBJV advised that they were not successful in the ITC Tender and the preferred status has been appointed to the other tenderer (BMD). To allow for site works to proceed prior to contract award to BMD, the LOC remains in force, subject to agreements.	
27 May 2024	<i>Letter to BMD re ITC Preferred 27.05.24</i>	BMD advised of their appointment of preferred tender status for the Devonport Berth E3 Redevelopment Project.	