

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

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28 May 2026

Hon Ruth Forrest MLC
Chair
Parliamentary Standing Committee of Public Accounts

pac@parliament.tas.gov.au

Dear Chair

Recently, the board of TT-Line introduced a fuel levy for passenger travel across Bass Strait in response to the global fuel crisis. This levy is temporary and solely for the purpose of recovering additional fuel costs.

TT-Line made a commitment to provide a monthly update to the shareholder ministers on the extent of additional fuel costs and the quantum to which the levy is recovering. I made a subsequent commitment for these monthly letters to be tabled in each House, and for a copy to be provided to the Public Accounts Committee for its inquiry into TT-Line's Spirits Project.

Enclosed with this letter is the first monthly report for April 2026.

Yours sincerely

A handwritten signature in black ink, appearing to read "Kerry Vincent".

Hon Kerry Vincent MLC
Minister for Infrastructure and Transport

Encl.

26 May 2026

Hon Kerry Vincent
Minister for Infrastructure and Transport
Level 10, 15 Murray Street
HOBART TAS 7000

Hon Eric Abetz MP
Treasurer
Level 10, 15 Murray Street
HOBART TAS 7000

Dear Shareholding Ministers

Fuel Cost Variance and Passenger Surcharge – April 2026 Update.

I write to provide the first monthly update on TT Line's fuel cost position and the operation of the temporary passenger fuel surcharge, consistent with the Board's commitment to keep Shareholding Ministers informed amid heightened fuel market volatility.

As previously advised, disruption to global fuel markets in March 2026 resulted in a material increase in fuel and related operating costs for TT Line. This has had a direct and significant impact on the cost of operating Bass Strait services.

Fuel Cost Variance

For April 2026, total fuel-related expenditure (vessel fuel and other oil products) was approximately \$9.2 million. This represents a \$3.8 million increase on pre-Iran conflict pricing.

Of the total \$3.8m increase, \$2.6 million or circa 70% is attributable to the passenger segment.

Passenger Fuel Surcharge

On 31 March 2026, TT Line introduced a temporary 15% passenger fare surcharge to recover this variance partially.

For April, the passenger surcharge has generated approximately \$1.2 million in total revenue.

The **shortfall / under-recovery** between passenger surcharge revenue and the increase in passenger-related fuel costs is \$1.4 million for April.

This brings the cumulative shortfall from the commencement of the Iran conflict on 28 February 2026 to \$3 million.

The Board has determined that the 15% surcharge rate remains appropriate at this time and should be maintained through May, subject to ongoing monitoring of fuel market conditions

and recovery performance.

TT Line remains committed to ensuring that the surcharge is:

- Temporary in nature; and
- Limited in aggregate to the recovery of the passenger share (70%) of the fuel cost variance, with no over recovery.

Next Steps

TT Line will continue to closely monitor:

- Fuel price movements and market conditions;
- Recovery of the fuel cost variance; and
- Impacts on passengers and demand.

TT-Line will provide further updates to Shareholding Ministers each month.

Please do not hesitate to contact me should you wish to discuss this matter further.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'K Kanofski', with a horizontal line extending to the right and a small flourish at the end.

Ken Kanofski
Chairman