



PREMIER OF TASMANIA

14 March 2025

Mr. Mark Shelton
Liberal Member for Lyons

Dear Mr. Shelton,

Thank you, Mr Shelton, for raising the question to the Premier regarding:

Many in our community are excited to hear of the recent announcement of the sale of the iconic King Island Dairy facility and brand - the on-site cheese store and the local farms that provide a guaranteed milk supply. Please outline what role the government had in saving King Island Dairy and providing future employment on the island?

The King Island Dairy has been a cornerstone of the local island economy and community. This acquisition will secure up to 106 fulltime and seasonal jobs at the factory and at the associated dairy farms and safeguards the future of one of Australia's most renowned cheesemaking operations.

The King Island Dairy's reach through product, brand and dairy milk supply extends well beyond the Island to benefit all of mainland Tasmania. It is an integral part of the dairy processing story for Tasmania and has been a part of our history for 120 years. It's companies like Ashgrove Cheese in your electorate, that have been able to benefit and build off the long-standing reputation of award-winning Tasmanian cheese making, that originated at the King Island Dairy.

Which is why we were disappointed when Saputo Dairy Australia announced in September that the current production season would be the final for the Dairy under Saputo ownership.

It became clear by December that Saputo's advisors, Moelis and Company, believed the global market for a potential buyer had been exhausted and that a closure was imminent.

We called Saputo out on that fact and at that point the Tasmanian Government stepped in, ensuring Saputo kept the sale process alive, by taking proactive measures to secure interest from investors and connecting serious buyers to the process.

From the outset, I reassured the island community that I would not allow the Dairy to close on my watch. That we would do everything in our influence to support the attraction of a buyer, and work with any potential owner that was genuine in their commitment to keeping the factory doors open and reinvesting in the factory and its iconic Brand.

Our intervention, and through outstanding work by the Office of the Coordinator General (OCG), resulted in multiple credible bids to Saputo and ultimately, the successful attraction of an experienced Australian family joint venture.

Proudly on Monday, 10 March, I visited King Island with Graeme Wilson and Nick Dobromilsky the intended purchasers, to officially announce King Island Dairy 2 Pty Ltd as the proposed new owners of King Island Dairy and that we expect the transaction to be finalised in late April.

I am confident from my engagement with Nick and Graeme that they have a plan for the Dairy which will see it operate successfully into the future. They have a clear vision around investment in product innovation, strengthening retail and global partnerships and enhancing the connection between the brand, the land, and skilled cheesemakers.

I am also confident, as new owners, that they will indirectly benefit from the decisive action taken under the King Island Response Team, which I established as an interim measure to support the community whilst the sale process was live.

The primary focus of the Response Team was to identify and consider local initiatives that would further support the islands economic and community resilience.

As part of that response, we have worked tirelessly to:

- return the Dairy to Australian ownership through the OCG
- deliver support to the local mining, golfing and tourism sectors
- introduce an additional small business advisory service to the island
- advocate with the Australian Government for necessary improvements to the Tasmanian Freight Equalisation Scheme to support the Island
- appoint a consultant to lead a Port Study and
- facilitate a freight and logistics roundtable with industry to support the islands logistics.

With these measures in place, the future of King Island Dairy looks strong, securing both jobs and a cherished Australian brand for generations to come.

Thank you for your attention to this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jeremy Rockliff', written in a cursive style.

Jeremy Rockliff MP
Premier