

17 March 2025

Enquiry into the TT-Line

Parliamentary Standing Committee of Public Accounts

Parliament of Tasmania,

HOBART TAS 7000

By email: pac@parliament.tas.gov.au

Thank you for the opportunity to provide a submission on behalf of TasFarmers to the Legislative Council enquiry relating to the TT Line. TasFarmers is the peak advocacy organisation for farmers in Tasmania, dedicated to promoting the interests and sustainability of the agricultural sector. TasFarmers represents a diverse range of agricultural producers, including those in livestock, cropping, and horticulture, where we provide a unified voice to influence policy and decision making to ensure that the needs and concerns of farmers are heard by government and industry stakeholders. Our efforts aim to enhance the profitability, productivity, and environmental stewardship of Tasmanian agriculture, leading to an agricultural sector with a viable future.

High amongst our priorities is ensuring that farmers have unfettered and efficient access to markets, particularly through transport availability for freight at the right time, of the right type and of course at the best possible price. As island-bound producers, an efficient transport/ freight link across Bass Strait is critical to the economic success of the agricultural sector and when these links fail or are perceived to be failing, confidence in farming drops and so does investment in rural and regional Tasmania. This of course impacts all Tasmanians and the Tasmanian economy more broadly.

TasFarmers, along with many enterprises that trade cross Bass Strait and their representative organisations, are dismayed at the magnitude of the delay in completing the delivery of the two new Spirit of Tasmania vessels and the associated port infrastructure. It is self-evident that these delays materially disadvantaged Tasmanian business and seriously impacted on Tasmania's reputation as a place to do business.

From a positive perspective however, when the new ships do finally arrive and are commissioned into service, they will have an increased freight carrying capacity of 40%, which is good news for all Tasmanian enterprises. This increase in availability should inevitably put downward pressure on freight costs due to higher availability – a good outcome for Tasmanian exporters.

TasFarmers submission relating to the Terms of Reference

The adherence of TT-Line, TasPorts and the Tasmanian Government to the most recently announced delivery schedule and budget

The Tasmanian farming sector has little confidence that TT-Line, TasPorts and the state government will achieve their current delivery schedule. History shows a sad litany of government, and their GBE and SOC subsidiaries, failing to meet time and cost imperatives for many infrastructure and service delivery projects.

While there have been moves to redress some of these issues to enable the two new ships to operate in Tasmania, the unfortunate reality is it will be years till completion for a project which should be into its second year of operation.

This in turn creates a lack of confidence for agricultural producers who need timely access to mainland markets to further invest in capital and volume expansion. The challenge is to meet current demands given recent disruption to Bass Strait services, however no producer would be willing to invest significant sums without a clear and guaranteed pathway to an efficient cross Bass Strait freight service.

This is the clear dilemma when projects such as this fall into disarray. Tasmania has myriad opportunities to expand its already significant agricultural operations, especially in time-sensitive and value added produce. A key feature of Tasmania's agricultural advantage over other states is our access to stored and distributed irrigation water. Irrigation has long been the key efficiency method to increasing volume and yield for Tasmanian farmers and producers.

Yet this near-universal access to reliable irrigation comes to naught if producers can't then reliably and predictably scale up operations to take advantage of better access across Bass Strait. This is critical for crops with long lead times such as stone fruit, berries, dairy products which require capital expenditure and lengthy propagation programs and perishable greens which take time to establish markets who can have trust that produce can be delivered on time and in top quality.

Options to minimise delays and reduce additional expenses for taxpayers

Given that the Spirits are government owned, through a State Owned Company instrument, and the current malaise is ultimately attributable to government, it is difficult to understand how any actions to reduce delays in delivery and commissioning of the vessels could be done without recourse to further expenditure. Tasmanian farmers will need assistance, depending upon the season and the product, to access mainland markets – this should be at government's cost, not the farmers.

Opportunities to support the Tasmanian tourism industry and Tasmanian Producers until the new ships are in service, and to maximise the benefits once they are

Short term freight options continue to prop up the current level of freight, and more could be done, such as to retain whole Spirit of Tasmania sailings for freight alone. The tourism industry sees most of its patrons travel by air – alas for agriculture that is an expensive and logistically difficult option when a reliable overnight sea freight option should be available.

Until the new ships arrive, TasFarmers like to see an increase in sailings of the existing vessels, even if only to grow availability for freight, not necessarily tourism. This should achieve two things: the preparation of the market for increased freight availability and to put downward pressure on freight prices. This will lessen the impact on the single biggest impediment to the growth of trade from the state – freight costs and availability.

Committee members would recall that during COVID, TT-Line remained profitable primarily as a freight carrier. TasFarmers has the view that TT-Line should be operated in a manner that puts constant competition into the marketplace for the betterment of all Tasmanian producers and exporters.

*The appropriateness of the project's oversight and governance arrangements, and
Any other matters incidental thereto.*

It is difficult for individuals and professional organisations to understand how such a large infrastructure project could end up in such a state. Farmers carefully plan their farm operations according to seasons, markets, international influences, price and opportunity. Farmers coordinate many different moving parts across many different vendors, contractors, processors, transporters, harvesters and financiers to predictably end up with a crop or product ready for market at the time it was committed to.

Similarly, they expect that those charged on behalf of all Tasmanians with delivering a project matching the on time delivery of two ships with the completion of the port infrastructure to enable their efficient use to be achieved without complication.

Farmers will always invest in what they can control and what they believe will give them the best long-term return for their efforts and the sustainability of their properties. They now must add another key risk to their deliberations – that is the possibility that future infrastructure programs aimed to make their access to market better, could in practice make it worse.

Similarly, those who rely upon Tasmanian produce to keep their supermarket shelves full also lose confidence. If the supermarket chains don't have confidence in future supply, they have proven over many years that they will quickly look offshore. There are countless overseas fresh food suppliers that will undercut Tasmanian producers and deliver to the chains what they require: quality produce delivered on time and to their price.

TasFarmers will always do what it can to support the state government as it works its way through this issue, but it also looks for practical and timely support to not only help famers in the current situation, but also to develop the confidence to expand and grow agriculture to Tasmania's full potential.

We look forward to engaging with the committee further on this issue.

Yours sincerely,



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