

Minutes of Minister's Briefing

Meeting held 19 May 2022

Commenced at 12.40 pm via teleconferencing

Attendees

Hon. Michael Ferguson MP	Minister for Infrastructure and Transport
Michael Grainger	TT-Line Chairman
Bernard Dwyer	TT-Line Managing Director / Chief Executive Officer
Kym Sayers	TT-Line Chief Financial Officer
Daniel Gillie	Chief of Staff, Minister for Infrastructure and Transport
Rick Dunn	Senior Advisor, Department of Premier and Cabinet

The Minister welcomed all attendees to the meeting.

1. Financial Performance

The CEO updated the Minister on the financial performance of the company noting passenger booking trends continue to be very strong and freight volumes continue to exceed expectations.

In response to a question from the Minister, the CEO advised that the financial outlook for 2022/23 was very positive for volumes and revenues, but concerns are held for the escalating fuel prices and other operating costs.

The Minister noted the positive outlook for the Company.

2. New Vessel Project Update

The CEO advised the design of the new vessels are progressing well. The CEO updated the Minister on his recent visit to the RMC shipyard and that he was very pleased with the progress of the project.

The CEO advised that local content contracts will soon be signed with Haywards Steel for the production of Trestle Pots and Tas Independent Beverage Systems (TIBS) for the beer and post mix reticulation systems and that the Advisors will be kept informed as to opportunities to support these announcements.

The Chairman advised that the Board of Directors had today approved to increase the contract price of hull 6009 by up to 8 million euros in response to the 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.

In response to a question by the Minister, the Chairman advised that the requested increase was only 2.9% of the overall increase in the contract price of Hull 6009, and that there was a risk that the contracts would not be fulfilled by RMC without the support. He advised that the cost to go back to market and the cost of delay in acquiring new vessels would far exceed 8 million euros.

The Minister noted that given the impacts of the war in Ukraine, a 2.9% increase in contract price of one hull was a good outcome.

In response to a question from the Minister, the CEO advised that legal advice had been obtained and the claimed force majeure event was valid under which a 13 week delay on the delivery of hull 6009 was expected.

The Minister advised that he wanted to be very open and transparent on the expected delay in the first vessel, and wants to publically say that delivery is expected in Q1 in 2024.

The Minister requested a communications plan be developed for the delay in new vessels and the signing of contracts for local content and requested photos be included of work completed to date on the new vessels.

The Minister confirmed his support of the position of the board in relation to the €8m increase in the contract price for Hull 6009 and noted he was grateful it is only 2.9% and not more.

3. Port Infrastructure Update

The CEO noted that the GeelongPort project was progressing well with the first sailing into Geelong locked in for the 23rd October and that the arrangements for media events are progressing well.

The CEO advised that in relation to the Devonport project there had been productive meetings held to date, but some key items were still to be resolved.

4. General Business

There was no general business identified.

5. Meeting close

There being no further business, the meeting closed at 1:15pm