



30 July 2020

Ms Natasha Exel
Committee Secretary
Public Accounts Committee
Legislative Council
Parliament House
HOBART TAS 7000

Email: pac@parliament.tas.gov.au

Dear Ms Exel

Re : TasPorts Written Submission – Public Accounts Committee Inquiry

Thank you for the invitation to provide a written submission as part of the inquiry into the Government's financial response to the COVID-19 pandemic as per correspondence from the Chair of the Public Accounts Committee, Ivan Dean dated 1 July 2020.

TasPorts Response to COVID-19

In late March 2020, TasPorts commenced discussions with tourism and hospitality commercial property tenants to offer support as restrictions increased around the state and the country. We offered both financial assistance (rent relief and deferral) together with practical assistance such as changing parking zones around the Hobart waterfront to assist delivery services for food tenants, and berthing options for ferry operators.

Financial assistance was rolled out ahead of the National Code of Conduct for leasing premises, and the state based *COVID-19 Disease Emergency (Commercial Leases) Act 2020* that exceeded obligations under this legislation. Given the uncertainty at this early stage of the pandemic, TasPorts provided assistance for the balance of the Quarter (Q4 FY2020), with a commitment to engage further at the end of this period.

Throughout May and June further requests were received and further assistance was confirmed for the upcoming quarter (Q1 FY2021).

TasPorts continues to work closely with its customers, tailoring tenancy concessions to meet diverse business needs. We have recently undertaken communications with all tenants, reminding them of the obligations of businesses to abide by all government regulations and directions around COVID-19, including WorkSafe requirements. At this stage, no TasPorts tenants have permanently ceased operations

In response to the COVID-19 pandemic, TasPorts has amended its trading terms to 14 day supplier payment turn around, injecting an estimated \$1 million into the economy.

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TasPorts Infrastructure Priority List

The *TasPorts Port Master Plan* (August 2018), delivers a co-ordinated state-wide vision for the future of Tasmania's ports ensuring port facilities meet future demand as the Tasmanian economy grows. In line with this, a priority project currently in the planning phase is a major redevelopment at the Port of Devonport which will significantly enhance trade throughput at the port (up to 40%) through improved infrastructure and facilitation of larger ships.

In addition, TasPorts has proposed major infrastructure initiatives that may be considered for Government funding as part of a broader infrastructure led economic stimulus.

TasPorts has worked with the Department of State Growth to propose a major redevelopment of Macquarie Wharf in Hobart and the development of the Burnie Export Gateway project that includes building infrastructure for larger ships to call at a dedicated export terminal in Burnie Port.

Both of these initiatives have been proposed for the Infrastructure Australia priority list of investments and would generate significant short term construction activity and long term economic growth for freight, export, tourism and Antarctic science and research.

FY20 Revenue Impact of COVID-19 on TasPorts

The revenue impact of COVID-19 on TasPorts in FY20 has been \$1.5 - \$2 million leading to a profit downgrade of \$1.0 - \$1.4 million. This downgrade was reflective of a marginal decline in trade volumes in comparison to the previous year and significant impact to the operations at the Devonport Airport (revenue effectively ceased in March 2020), the early closure of the 2019/20 cruise season and deterioration in commercial property revenue (as outlined above). The full year revenue impact taking into account a full cruise season is \$13 - \$14 million.

Looking ahead, it is anticipated that the impact of COVID-19 on FY21 and beyond will be significant. Updated forecasts are currently under review in preparation for re-submission of the *2020-21 Statement of Corporate Intent*.

If you would like further information please don't hesitate to contact me.

Yours sincerely



Anthony Donald
Chief Executive Officer