

PUBLIC

THE LEGISLATIVE COUNCIL SESSIONAL COMMITTEE GOVERNMENT ADMINISTRATION A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON MONDAY 12 AUGUST 2024.

SHORT INQUIRY INTO TASMANIAN PORTS CORPORATION PTY LTD

CHAIR (Ms Forrest) - Welcome back to the chair and CEO of TasPorts. This is Government Administration Committee A and we're scrutinising TasPorts, in a broad sense. We do acknowledge that you appeared before the Public Accounts Committee earlier today and answered a lot of questions related to the Devonport port, so we're intending to direct our questions more away from that port to other areas of your operation and to follow up matters that were raised in government business enterprises scrutiny in November or December, whenever it was, last year.

I will now get you to introduce yourselves and make the statutory declaration. Mr Bradford, did you want to make an opening statement at all?

Mr BRADFORD - Not for this meeting, Chair.

CHAIR - Okay, sure.

Mr BRADFORD - Michel de Vos is our extra representative. He's a very senior executive working for Anthony in maintenance capital infrastructure in Devonport.

CHAIR - I will just introduce you; you probably haven't met some of the new members of this committee. Dean Harriss has been here previously, member for Huon; Bec Thomas is one of our newer members and member for Elwick; and Kerry Vincent, one of our newer members, member for Prosser.

Mr STEPHEN BRADFORD, CHAIR, **Mr MICHEL de VOS**, GROUP EXECUTIVE, AND **Mr ANTHONY DONALD**, CEO, TASPOTS PTY LTD WERE CALLED, MADE THE STATUTORY DECLARATION, AND WERE EXAMINED

Mr DONALD - Michel's title is group executive, major projects, assets and technical services.

CHAIR - Okay. It is probably timely to have Michel at the table for this. I might lead off with maintenance and management of your other assets outside of Devonport port at this stage. In the last hearing we asked you to provide some information regarding your maintenance schedule. You were unable to do so at the time but you later provided some information which was marginally useful. It was lots and lots of pages of the assets without any detail at all about what maintenance was being undertaken on each of the assets. The questions were related to the maintenance schedule for each of your ports and major assets, so I'm going to go down that path now and hope you'll be able to help more fully this time.

It seems that some of the problems are coming home to bite a bit, because we've seen a number of fairly significant issues at the Burnie port and the King Island Grassy port. If you're happy to do so we'll start with the Burnie port. If you want to make any opening comments about the Burnie port you're welcome to, or I'll go straight to a question.

PUBLIC

Mr DONALD - Straight to a question is fine.

CHAIR - Okay. What specific measures are being undertaken to address the structural failures at Burnie wharf 4? In reality, what was the state of the collapsing and why are you saying that the state of the collapsing berth is only defended by the word 'current' in the statement that you put out publicly?

Mr DONALD - Sorry, do you mind repeating that?

CHAIR - I understand that your public comment said that the problem was current, as opposed to being a maintenance issue from previously. Correct me if I'm wrong on that, but I'm just trying to understand what measures you're taking now to fix these structural failures at Burnie wharf 4. Maybe you could talk about what those failures are and what you're doing to correct them.

Mr DONALD - Certainly. Through our asset management program, we have a scheduled inspection of all of our assets. Through that scheduled inspection, we identified some scouring within the wharf structure of Burnie Berth 4. Through further investigation we identified some undermining of the block-work structure which significantly makes up the wharf structure at Berth 4. I think it's important to recognise that Berth 4 was constructed in, I think, the late 1800s, so it's quite old. It's an old concrete block-work structure that is quite unique. Behind that block-work structure is reclamation and we have some uncertainty about what else is in there. I suspect that there's a possibility there's a series of old timber structures in there as well.

We proactively identified some scouring and some undermining and we engaged appropriate engineering consultants to help us to identify the remediation, the repair works and through that process we identified some risk or concern of stability of that section and that is why we have implemented some control measures with our tenant Strait Link to put in place some load restrictions in an area 20 metres adjacent to the wharf face and it is precautionary. Some may consider it to be conservative. I think it is prudent that we make sure we keep people safe.

CHAIR - I understand, Anthony, that the Strait Link has been required to relocate to Berth 5 at the moment. Is that correct or not?

Mr DONALD - No, we're working on a contingency plan for Berth 5 if it is required, but we haven't required them to move to Berth 5 at this point in time. We have been open with Strait Link about the fact that we may require them, either during the course of the works or if we were to see some increased concerns around stability of the wharf, to move to Berth 5, so as part of our corrective works we are looking to undertake and commence some works at Berth 5 to ensure that we can maintain the operations for our customer.

CHAIR - I understand there have been some issues with Berth 5, like a rockfall and other challenges with it.

Mr DONALD - A rockfall? There may have been, but I'm not across any rockfall that has occurred at Berth 5. Certainly Berth 5 is a unique structure in its own right. We are planning to drive, I think, piles at Berth 5 and possibly looking at doing some dredging as well although it would be minor dredging. I suppose a good next question would be could Strait Link move there tomorrow? The answer is yes, they could, however there would be some tidal restrictions

PUBLIC

on their movements not all that dissimilar to their competitors TT-Line and SeaRoad. Their arrival and departure times are critically important to their business and we want to make sure that we maintain that where possible, which is why we would be looking to do some dredging.

Some of the other complexities with Berth 5 that we need to balance are the needs from our other customers, our minerals customers in particular and our fuel import customers are also important, notwithstanding the fact that TasRail are completing some works there with the ship loader project as well.

CHAIR - In terms of the location, how close is the TasRail ship loader installation to Berth 5?

Mr DONALD - It's on berth 5.

CHAIR - So, if Strait Link had to berth there, could that work by TasRail continue?

Mr DONALD - Yes, with some changes, I suppose, but that's what we'll work through with TasRail and their contractor if required. A lot of it is around the location of the ship loader. The ship loader, as I understand it, is on a sort of rail and gantry system and can move up and down the berth.

CHAIR - How progressed is that ship loader?

Mr BRADFORD - That's really a matter for TasRail.

CHAIR - It's on your wharf, though.

Mr BRADFORD - No, but they are the owner of it and they have a federal government grant.

CHAIR - I understand that but it's on the port that you're potentially suggesting that you could move Strait Link to tomorrow.

Mr DONALD - If we had to.

CHAIR - If you needed to, and we don't know that is not going to happen. If the crane can't be moved along out of the way because of the nature of the work TasRail's doing, then isn't it a moot point and Strait Link notionally couldn't move there?

Mr DONALD - No, our team have been working through all of that, including with members of the TasRail team and whilst there may be some disruptions, it certainly hasn't come to my attention.

CHAIR - The interaction with TasRail would suggest that there is no barrier to them. Is that what you're telling me?

Mr DONALD - There's no showstopper. If we needed to move Strait Link tomorrow, there is no reason from a construction perspective of the TasRail ship loader that it's not achievable. There may be some inconvenience and disruption but all of that will be worked through by the various teams. We're talking about contingencies on contingencies.

CHAIR - Currently you're telling me that Strait Link can use Berth 4 or wharf 4, but there's work needing to be done there to make it suitable for ongoing use?

Mr DONALD - Yes, and our engineering consultants we have used have essentially done engineering calculations based on what we understand from the design drawings and based on current engineering standards, which are very different to the standards that were used back in the 1800s, and our risk process compares our response to the current-day standards. So, we are appropriately being risk-averse here.

Mr BRADFORD - To put the strategic position in place, Strait Link are in the sunset years of their current lease. At a point in the future, they'll approach us, I would expect, for a long-term lease which could involve significant or small capital work for Burnie. Quite possible.

CHAIR - At Berth 4?

Mr BRADFORD - At Berth 4, yes. But until they make that approach, we've asked them what their intentions are many times, and we await their answer.

CHAIR - When does that run out, did you say?

Mr BRADFORD - I didn't, I said it's in the sunset years.

CHAIR - Right.

Mr BRADFORD - There's a few years to go, but in port terms, not long.

CHAIR - Not long.

Mr VINCENT - Is Berth 4 salvageable?

Mr DONALD - Oh yeah, absolutely.

Mr VINCENT - So, you've probably got three different upgrades since it was originally built, or four hanging on the wall? Do you just keep skinning it and re-engineering the outer skin and hopefully everything's alright internally?

Mr DONALD - Yes, without the latter, because we won't be 'hoping' about anything. We'll prove to ourselves that everything's fine. And that's, you know, essentially what our risk process does.

And so, coming back to an earlier question from yourself, Chair, the work that we're planning to do at Berth 4 is about driving piles at the front edge of the concrete block wall. That would then be joined up with, almost like baffles between the piles, which we can then injection grout behind. But we're still working through the design process at this point in time, and it's quite a dynamic process.

Mr VINCENT - That would put that berth out of action for a certain amount of time to have that work done.

PUBLIC

Mr DONALD - Yes, there's a possibility that we may work with Strait Link to move them to Berth 5 to implement the work. There's an equal possibility that we could affect the work at night when they depart, after they depart, and before they arrive.

CHAIR - I assume that the engineering reports we can clarify include environmental impacts of the work that's being undertaken?

Mr DONALD - Yes.

CHAIR - Can you explain to the Committee, particularly for the record, what actually happened at Berth 4 that's required this urgent attention to the wharf?

Mr DONALD - We identified through one of our asset management inspections some scouring and undermining of the block work wall.

CHAIR - The asset management program and schedule you've referred to - this is what we were trying to get from you last time - can you provide a copy of that?

Mr DONALD - Of the inspection program?

CHAIR - No, what we're - well, I'll come to the inspection, but the actual program and schedule of works. I mean, your inspection program must lead to a schedule of work?

Mr DONALD - Yes.

CHAIR - So, you must have a schedule of work.

Mr DONALD - Yes. Yeah.

CHAIR - Can you provide that to the committee?

Mr DONALD - Sure can.

CHAIR - Yeah, okay. Not now, obviously.

Mr DONALD - No, but later today or tomorrow. That's absolutely fine.

CHAIR - Okay.

Mr DONALD - You'd also appreciate that it's dynamic in nature, in terms of - and, whilst every year we have a maintenance program and we have a capital works program that we commit to, but when and if we identify an issue that we didn't know about, then we need to vary our schedule accordingly from a risk-based perspective to insert works like this. One of the other -

CHAIR - This was not part of the - this was not on the schedule of improvements initially, but the risk is - well, the assessment has led to this?

PUBLIC

Mr DONALD - Yes. And, whilst it's important to put on the record that our collaboration with Strait Link on this matter has been nothing short of excellent, and I expect that will continue, there is a level of interaction between TasPorts and Strait Link over the obligations associated with the repair works.

CHAIR - What additional controls have you got in place to manage any risk during this period where you're doing the work? Acknowledging that it's a dynamic place of ships coming and going.

Mr DONALD - We've put in place a 20-metre restriction zone with barriers, and we've done that with Strait Link. There's daily inspections occurring with respect to the pavement. There's regular surveying being undertaken to monitor any movement. There's been nothing that has indicated any movement at all, at this point in time.

We do also - it's quite complex, and perhaps Michel might add a little bit more detail if required, but there's also sensitivity on the structure associated with the tidal movements. You'll appreciate that some of the area becomes quite saturated, either through rainfall events or because of the proximity to an open harbour. So, the engineering consultants will appropriately advise that the surcharge - the weight of the material behind the block wall - becomes heavier when it's more saturated with water. There's a natural mitigation that occurs twice a day, which is the high tide. We know that there's a higher risk of failure at periods of low tide. So, it is a dynamic environment.

I share that because I think it's important for the Committee to understand that we are across a lot of detail with this regard and working very closely with both the harbour master, the masters of the vessel, and Strait Link to make sure that everyone is aware of the issues.

Again, we haven't identified anything other than the engineering consultant's calculations and what we've seen in terms of our visual inspections to indicate that there is any recent movement, but we'll continue to monitor that appropriately.

CHAIR - How do you undertake the visual inspections underside? I mean, you can walk along the pavement, look at the pavement - I'm not talking about that, I'm talking about the other inspections.

Mr DONALD - I might ask Michel to talk about that.

Mr de VOS - The visual inspection has been looking for evidence of cracking and things like that, movement. The surveying that Anthony mentioned are set survey points, so regularly we'll get a certified surveyor to survey those, and they can monitor to a few millimetres of movement.

Mr DONALD - And then there's an underwater survey with quite detailed images of the areas of exposure.

CHAIR - How often are these done? The surveys, above ground and underwater?

Mr de VOS - The above-ground, at the moment, I believe monthly, but we're looking to accelerate that. The underwater multibeam survey and diver surveys were a direct result of the initial inspection. So, the initial inspection, as part of our normal regime, discovered the

PUBLIC

scouring. Based on that, we did further high-level detailed investigation using sonar technology, diver inspections - which, even 10 years ago that technology wouldn't have been available. So, we're using all the tools available to paint the picture of the status.

Mr VINCENT - Could you just clarify what 'scouring' means? Underpinning is pretty obvious, but 'scouring' from material that's behind the different walls? Is there contamination there, or is it just this flushing effect of saturated material?

Mr de VOS - Yeah, I don't mean - the concrete block wall sits on- I don't know the exact material, but it's founded on material and it's the propeller wash that's been washing that away.

CHAIR - On the sea floor?

Mr de VOS - At the sea-floor level.

CHAIR - Do all the berths at Burnie currently meet all safety and operational standards?

Mr DONALD - Yep. Otherwise, we'd close them.

CHAIR - Okay. And in terms of the underwater and on-ground or on-wharf deck assessments and checks, is that in all the port assets in the Burnie port you're talking about here, or just wharf 4?

Mr DONALD - Just wharf 4. All of those have been prompted through the identification of the scouring.

CHAIR - So, how do you know there's not scouring under wharf 5 or any of the other wharfs?

Mr de VOS - They're different structures, for starters. So, they're not an old structure, much more modern, where this Berth 4 is over 100 years old at mass-concrete block structure, which you wouldn't build these days like that. There's a legacy of design in that case. But we do, on a regular basis, detailed investigations, or we scan on a five-yearly basis, which includes underwater inspections.

CHAIR - So five yearly -

Mr BRADFORD - Berth 4 also has twice-a-day propeller movement, for the vessel, it is a daily schedule. But that is not the case with the other berths.

CHAIR - There'll be more coming into wharf 5 once the ship load has finished though, won't there?

Mr BRADFORD - Not more than Berth 4.

CHAIR - Not, not more than Berth 4, but there'll still be more ship movement.

Mr BRADFORD - Well it might be slightly bigger.

PUBLIC

Mr DONALD - Slightly bigger vessels, possibly, I don't anticipate that we'll see a vast increase in vessel movements in terms of the number of vessels.

Mr BRADFORD - Generally, across TasPorts the berths are old, and the utilisation is low. That brings the problem.

CHAIR - The five yearly assessments of the other major port assets of Burnie, when were they last done?

Mr DE VOS - We staggered them. We are doing a program every year. Over a five-year period every major wharf asset is completed within that five-year period.

CHAIR - When you provide the asset management program and schedule, they'll identify that and they will ask which aspect of the wharves were done?

Mr DE VOS - Yes, we can do that. And we have a forward program, but you know, it's planning and things change.

Mr DONALD - There is a difference. There is an annual inspection, and then there is a more detailed inspection every five years in addition to the annual inspection.

CHAIR - Does the annual inspection include underwater inspection?

Mr BRADFORD - No.

Mr DONALD - It's the more detailed one that does. You can imagine that across 37 wharves and 11 ports we can only do so much per year.

Mr VINCENT - Do you do that internally or have an independent body do some of the asset management for you?

Mr DE VOS - We have a contractor that we've engaged on a long-term agreement to do that.

CHAIR - For all ports?

Mr DE VOS - For all ports, yes. For all the maritime assets. Recently, we're really moving towards using technologies; underwater remote operated vehicles, drones, and things like that to help us accelerate and go into digital technology for defect identification and the like.

CHAIR - You're not using drones yet?

Mr DE VOS - Yes.

Mr DONALD - No, we are.

CHAIR - You are using them.

Mr DONALD - That's drones in the air and we've got two underwater drones as well.

CHAIR - Drones fly under what some wharf assets that are - you have some that are above - that have sections of the wharf above the water, if you know what I mean?

Mr DE VOS - There will be above by air, underwater with underwater remotely operated vehicles, and then under the wharves there is a boat with cameras.

CHAIR - You don't send the drone under the wharf, do you?

Mr DE VOS - No. It's the same technology but on a floating -

CHAIR - Not a person in it.

Mr DE VOS - No.

Mr DONALD - I might ask Michel to talk about asset management maturity improvement with respect to our asset management system and GIS. I think it's important and helpful.

Mr DE VOS - One of the main things is that it's all about data. Each of these wharves would end up with a 500-page report, with lots of analysis. We're just moving to a geographical information system (GIS). All this data is going into the GIS and we can actually visualise it - heat mapping, you can see at a glance areas that are worse than others.

CHAIR - Do you detect corrosion through that as well?

Mr DE VOS - Corrosion detection is done through this ROV or drone.

CHAIR - Feeding into the GIS?

Mr DE VOS - Yes, that will feed into the GIS. With the GIS, we feed it into other software to model degradation. We can actually start what a wharf's looking like over a time, and then plan our responses accordingly.

Mr DONALD - Corrosion detection on reinforced concrete structures requires a bit more testing and analysis, though. In the last five years we've done quite a lot of concrete rehabilitation projects. That requires breaking out of the old concrete and testing of the pH of the concrete. As the pH changes over time, the pH accelerates the corrosion of the steel. We remove the soffit of a lot of our walls and expose the reinforcing steel. The experienced contractors go in there and measure the corrosion loss of the reinforcing steel, we get advice on whether or not we need to replace that reinforcing steel or whether or not it can just be cleaned and treated. Then we effect that work and cover it back again with concrete. That is essentially associated with realkalisation, but then there is also cathodic protection, which a lot of structures have sacrificial anode - so it is a chemical reaction that occurs over a long period of time. One of the beauties of ports and one of the risks is the high corrosive environment with salt water, so the whole thing is a chemical reaction that occurs over a long period.

CHAIR - You do non-destructive testing for corrosion?

Mr de VOS - Yes.

CHAIR - How often is that done?

Mr de VOS - It would be part of the five yearly Wyze Cam. The Wyze Cam is a Wharf Structures Condition Assessment manual that was developed by Ports Australia over the years, so the Ports Australia group worked with all the ports and member ports to develop a standard. We are following what is now the recognised standard for inspections and same language, same rating et cetera, which is really good for industry.

Mr DONALD - I think our biggest step forward over the last 12 months in particular is the work we are doing with our asset management software and GIS because we can then readily convert the engineering reports and the inspection details into a system that we can readily generate reports either for additional inspections required or for the identification and then development of maintenance activities or indeed capital works programs moving forward to even doing scenario analysis on what the whole asset category might look like with different levels of capital investment over a short, medium and long term.

CHAIR - I might go to Grassy. It seems that the bollard failure on Grassy may have what appears to have been potentially a result of inadequate maintenance, that is what the thoughts are with those who have observed this. Can you explain to the Committee what this failure of the bollard was due to?

Mr DONALD - I would say that it wrong.

Mr de VOS - It is not from a lack of maintenance. The investigation is still ongoing but the root cause at this point of time is overloading of the bollard. The bollard is rated to 30 tonne and we believe it has been on at least one, if not many occasions, loaded to more than 30 tonnes, likely as a result of the arrival and departure of the *John Duigan* and the environmental conditions and the way they have conducted that operation.

Mr DONALD - I might ask Michel some questions just to help. How old are the bollards?

Mr de VOS - Five or six years old.

CHAIR - In light of the size of the vessel that goes in there, *John Duigan*, and also there are other vessels, but I understand that is most likely be the heaviest and that has been then going there for more than five years.

Mr DONALD - *John Duigan* has probably been around five years, five or six years, but you raise a really good point in that. When we replaced those bollards it was around the same time as the commencement of the *John Duigan* and my recollection is that we replace the bollards like for like but brought them up to a newer standard. The *Searoad Mersey*, prior to the *John Duigan*, had been calling there for, Chair - do you know how long the *Searoad* was probably - circuit 10 years?

Mr BRADFORD - or more back to the, I guess, 1993-94.

Mr DONALD - And significantly larger, heavier. Consistent with my media release, the sequencing of lines has an impact on the forces within the mooring lines and, over time, all the

PUBLIC

vessel masters that have been calling at the port of Grassy - it is not, it occurred with *John Duigan*, but all vessel masters have been using larger lines and I understand why because of the wind and the surge and I would imagine that they were concerned and they perhaps saw overtime a breaking of the lines. In order to mitigate that they have increased the diameter of the lines. When and if they leave one line on at the end, all of the forces from the vessel, exaggerated by the wind and surge, go on that one line which is what happened and caused the fire of this one bollard.

Mr BRADFORD - We suspect that didn't happen in the days of the *Mersey*. The masters took a different view on lines and how they let them go.

CHAIR - Any event you run *John Duigan*, you're responsible for *John Duigan*, you know how much it weighs, okay. The bollards there were only - were not really rated to take the *John Duigan's* potential weight fully loaded, I assume, that is. And we know that it's a dynamic port -

Mr BRADFORD - That's a big call, but I'll listen to you.

CHAIR - That's what - that's what you basically said, that it was the -

Mr BRADFORD - On the basis of all the weight going on one bollard? Well, you wouldn't assume that. You'd assume there'd be a number of bollards that would be let when the lines were let go.

CHAIR - So, then -

Mr BRADFORD - It appears to be an unmooring issue. This is a little bit of - I'm going with the early crew, because there's a bit more to go in the inspection, but that appears to be the case.

CHAIR - So, whose decision is it that -

Mr BRADFORD - We do it no fault, no blame. So, whilst I'm talking -

CHAIR - Whose decision is it to use the bollard in the way it's been used?

Mr DONALD - The vessel master.

CHAIR - Okay. So, the vessel master is employed by TasPorts?

Mr DONALD - No.

CHAIR - So they run by -

Mr BRADFORD - Through a contractor.

CHAIR - So, based on a line

Mr BRADFORD - Yes. Polaris is the employer of the crew.

PUBLIC

CHAIR - TasPorts have a hands-off approach to all of that? Even though you own the vessel, you run the service, you own the port?

Mr DONALD - No, it's outsourced. It's a contractor that provides the staffing of the vessel. Vessel masters make decisions on a regular basis in a dynamic environment. TasPorts didn't appreciate that what was occurring with that vessel on that day was that all of the lines were being let go sequentially, and one line had all of the forces on it.

Mr BRADFORD - We're not blaming them. We say no fault, no blame.

Mr DONALD - We're now upgrading all the bollards to cater for, you know, the absolute, you know, scenario.

CHAIR - Do you expect that all lines will be let go at the same time now? After it's been upgraded, because obviously *John Duigan* can't go in there at the minute.

Mr DONALD - No, we won't. No, that's why I said that we're upgrading all of the bollards to cater for this scenario.

CHAIR - What rating will they be rated at? The new bollards, when they're in.

Mr DONALD - I think they -

Mr de VOS - Initially we're looking at 80-tonne, but there's still a bit of work to do. We've undertaken modelling. Under normal mooring analysis, under normal mooring situations, the 30-tonne is acceptable, so we need to do some more work around understanding the departure and arrival manoeuvres.

Mr DONALD - And that should be more than adequate. All ports around the world are designed in such a way that the mooring lines should fail before the bollards. That's a reality of ports.

Mr VINCENT - What did you say it was at, 30-tonnes?

Mr DONALD - Yeah. 30-tonnes -

Mr BRADFORD - Upgrading to 80.

CHAIR - How long is it going to take to do this upgrade?

Mr de VOS - Our current planning, we're looking at end of September.

CHAIR - To have them installed? Or just for the planning stage?

Mr de VOS - There's interim measure to get the *John Duigan* back on the run, being worked through at the moment under some controls. Then, we're looking to upgrade a number of bollards. I think there's probably five or six that we're going to upgrade to 80-tonne.

CHAIR - So, when do you expect that work to be completed, like the upgrading to the 80-tonne bollards?

PUBLIC

Mr de VOS - At the moment, we're still looking at supply of materials. So, one of the factors is the steel foundation. We're looking at 60-to-70-mil-thick steel that needs to be machined and drilled. That's why -

CHAIR - Not easy when you're on King Island, is it?

Mr de VOS - No. So, at the moment we have to source that probably from the mainland. I'd be reluctant to give timeframes without knowing the long lead delivery items. But we've just finalised the designs in-house and are moving with procurement. Then we'll get our teams across the island as soon as we can.

CHAIR - Is the deck adequate to hold - to take the new infrastructure?

Mr de VOS - 80-tonne is the maximum for the deck. Well, not the deck - the failing mechanism is actually the piles being pulled out of the -

CHAIR - Because you've got forklifts and stuff on the deck as well.

Mr DONALD - It's different loading, though.

CHAIR - Different loading? Okay.

Mr de VOS - 80-tonne or even a little bit less is the maximum limit for the wharf itself. There are some bollards we've being upgraded that are not on the wharf; they're on land base, so we don't have those restrictions there.

CHAIR - Okay. When do you expect to have a *John Duigan* being able to go back and dock?

Mr DONALD - This week. As Michel indicated, they're currently working through a series of mitigations and additional controls that we might be able to put in place -

CHAIR - What sort of additional controls are going to be required?

Mr DONALD - The sequencing of lines and possibly a tugboat.

CHAIR - To get it in and out?

Mr DONALD - Yes, depending on the prevailing wind and surge.

CHAIR - Which it always is anyway.

Mr DONALD - No, not always. There are some nice days where it is still.

CHAIR - There are a lot of nice days on King Island.

Mr VINCENT - You said that you have done the design work in house. Obviously, there are plenty of other wharves around Australia for you to draw the comparisons of size of ships

and what is needed. Did you draw on that experience from other wharf areas as well to design those features?

Mr de VOS - Normally we would use consultants for the big project, but we have a good team in house. This is obviously an urgent basis. We know the infrastructure really well. There are Australian standards and British standards, all sorts of standards for bollard size versus ship size. I think the subtlety here is the conditions at Grassy, those surge conditions and the manoeuvres, so there needs to be a little bit of work done in that space that maybe is not something you can pull straight from the standard.

Mr DONALD - Or from a sort of an external consultant. On this occasion, we think our team is a lot quicker.

CHAIR - If it does require - not saying that it does yet because that is still a work in progress - but would you have to base the tug over there and just leave it in the port?

Mr DONALD - Yes, for a couple of weeks, a month or six weeks.

CHAIR - Okay.

Mr DONALD - And that will be a decision by Bass Island Line.

CHAIR - They will have to fund the cost of that?

Mr DONALD - Yes.

CHAIR - We know that before this occurred that a number of customers on King Island have had their freight left on wharves for a significant period of time on the mainland or Tasmanian side. Some of that is related to the need to get feed on and off the island and things like that, but it has been a problem for longer than the drought situation.

A number of King Islanders feel very aggrieved because they have waited and they are doing building projects or whatever, and their projects are significantly delayed and they cannot sequence their projects because of that and they cannot rely on delivery even though they are told something is coming that it has been bumped for something else.

How do you assure people that if they are going to have to pay the full freight cost that they are going to get a full, a priority service if you are paying full freight costs when this is not happening for so many King Islanders?

Mr DONALD - I am not aware of the non-delivery of any customers so I am more than happy to receive specific details of customers.

CHAIR - I will put a few people onto you then.

Mr BRADFORD - Yeah, absolutely. We have a number of principal customers who support us on every sailing and they contract for that. We have others who book us when they have got demand and we try very hard. Well, that is why we are there every week. Yes, the weather impacts a few days either side but we are there every week. If we are not full, we sail, if there is space available in their cargo, we sail.

PUBLIC

CHAIR - Well, I will put you in touch with some King Island residents who are not experiencing anything like that.

Mr BRADFORD - Happy to talk to them. We have got a permanent, full-time general manager of Bass Island, she would be delighted to meet them. Particularly if they have plans, if they are building something and they have got a forward schedule of what they are planning to do, if we know about it, that is very helpful.

CHAIR - They've definitely done that and they have allowed several weeks of contingency, noting that sometimes the vessel cannot get in because of the weather. Anyone on the island would factor that in. What we see is that the freight was sitting on the wharf and not loaded, not delivered, because something else is put on instead.

Mr BRADFORD - Really?

CHAIR - Anyway, I will put them onto you because -

Mr BRADFORD - And if they are using a forwarder, they should tell us that or if they are doing it direct and what wharf are they talking about?

CHAIR - I will pass them on to you.

Mr BRADFORD - It could be sitting in a forwarder's warehouse.

CHAIR - Not as I understand it, but I am only relying on what I am hearing from the people of King Island.

Mr BRADFORD - Yeah, very concerned to hear about it. We cannot guarantee we will carry every stick of cargo every week, that is unrealistic, but we can -

CHAIR - They allow for that in their forward planning.

Mr BRADFORD - Okay. For a long period over the last six months, we were running two sails a week.

CHAIR - I do not understand it either. I am just saying.

Mr BRADFORD - For a long period before that we went full.

CHAIR - That's what I hear as well.

Mr DONALD - I'm happy to look at the specifics so that we can understand and help if so required.

Mr BRADFORD - It's very hard but don't mention their names.

CHAIR - No, I won't.

Mr BRADFORD - I hope they're not on our extremely bad payer list.

PUBLIC

CHAIR - These people wouldn't be. Well, at least a few of them I know

Mr DONALD - Well, you never know.

CHAIR - They might be getting cranky and not wanting to pay because their goods aren't being delivered. Anyway -

Mr BRADFORD - The vast majority of our customers are excellent in paying their bills. There are a couple who, um, yep. So 'cash in advance' is a term you might hear.

CHAIR - With the concerns - and we acknowledge the surge issues, we acknowledge the challenges for the *John Duigan* to get in. You might want to defer me to the minister for this one again, and he's not here, and that'll be a separate process. However, I have asked him on a number of occasions whether there is any willingness to work with Group 6 Metals, with their overburden, to look at producing another all-weather port.

Mr BRADFORD - At huge cost to Tasmania? Mr Donald?

CHAIR - No, no, I'm not suggesting that Tasmania pays for it all. I'm suggesting that you work with them to actually mitigate some of the cost.

Mr DONALD - We've been very open about the fact we're happy to work with G6 in order to use some of the overburden material on the existing breakwater structure. An additional metre, as an example, over the top of that structure would be beneficial. From time to time, we do see waves crashing over the top. Not every week, but from time to time.

There's been a number of studies undertaken, I think the most recent one was by GHD a number of years ago, which looked at what would be required to create another harbour. We're talking about tens and tens of millions of dollars, probably closer to \$100 million than 50.

CHAIR - That was to the north of the current port, as opposed to the south?

Mr BRADFORD - Yes, I would imagine-

CHAIR - That GHD report was.

Mr DONALD - Yes, that is correct. I'd imagine that there wouldn't be a lot of money saved in moving it to the south. The investigation and the design and modelling and environmental assessments required to do something like that would be very significant and would take a number of years to complete. Then there would be an ongoing asset management responsibility for someone.

When we look at the berth utilisation at the Port of Grassy, I could be wrong, but I think it stands at around 11 per cent. There's a lot of underutilised capacity within the existing wharf structure, so we don't see a need for any further expansion. If you think about - our responsibilities are for statewide port infrastructure across the whole state, so we need to look at all of the requirements for every port, every wharf around the state.

PUBLIC

Yes, there are individuals who suspect that there could be benefits to the Port of Grassy by building a brand-new harbour. How would we demonstrate or how would we substantiate that against investments that could be provided in other port locations?

CHAIR - Is there anything that could be done to Grassy Harbour to make it an all-weather port, then?

Mr DONALD - There's no such thing. There is no such thing as an all-weather port.

CHAIR - At all?

Mr DONALD - No. An all-weather port indicates that - what are you doing, you're building an indoor port. That is, no exposure to wind, sea state conditions, tides -

CHAIR - No, that's not what I mean. I think we understand what I'm talking about. We're talking about a port that vessels can get into that are designed to fit into that port. Obviously a massive ship won't fit into Grassy, no matter what the weather is, but the weather will not prevent it from entering, except on the, perhaps, very rare cyclonic conditions.

Mr BRADFORD - That's every port in Australia. Weather, they've all got different conditions.

Mr DONALD - We have impacts at all of our ports around the state.

CHAIR - How many sailings have been delayed or cancelled this year?

Mr DONALD - I haven't got that in front of me, but I'm more than happy to provide it.

CHAIR - Anyone else want to go to King Island, not at the moment? Or you want to move on?

Mr DONALD - It's really around delays to the weekly service, it's not cancellations.

CHAIR - But delays can be for a day or two or three.

Mr DONALD - Yes.

CHAIR - And you do have perishables on board?

Mr DONALD - We'd like more perishables.

Mr BRADFORD - A key target commodity, our success is modest.

Mr DONALD - Well 18 months or two years ago, we leased a refrigerated container and a frozen container because we wanted to demonstrate to the King Island community that we could do some things that can help cost of living on the island. We understood that there was approximately 10 tonnes of freight being moved on to King Island by air every week and so we thought that there was an opportunity, not for all of the perishables, but some of the perishables could be moved by shipping containers and we didn't have a customer.

PUBLIC

Mr BRADFORD - Trying to reduce the cost for working families.

CHAIR - We know what the problem was, people didn't have enough faith in the service, that it -

Mr BRADFORD - Really?

Mr DONALD - A weekly service?

CHAIR - You only have to read other previous committee hearings to understand the genuine concerns of the people out there. I won't entertain their views not being considered. Any other comments on this?

No, we will move to Hobart Port.

Mr BRADFORD - It would be interesting to compare that to other islands in Australia, but I won't do that.

CHAIR - With regard to the Hobart port and wharves, can you give me an update on the state of all those in terms of the maintenance schedule, the assessments that have been undertaken, is their urgent work that needs to go on in any of those Hobart ports?

Mr de VOS - Excluding the Macquarie wharves, we have just undertaken now our five-yearly Wyze Cam assessment for the infrastructure that you are seeing just as you go outside here. We are in planning for a bunch of works around Sullivans Cove, there are some issues, we have done some fender upgrades. There is works programmed in the next three years in this area. There are some wharves at Domain Slip which are also programmed for some strengthening work and that is about it for Hobart.

Mr DONALD - Would you like us to talk about Macquarie?

CHAIR - That information would appear in your asset management program, the works you have just outlined there, Michael?

Mr de VOS - Yes.

CHAIR - We can go to that, yes.

Mr DONALD - With Macquarie 6, we remain in negotiations with Australian Antarctic Program (AAP) for a commercial agreement to enable us to fund the construction of a dedicated wharf for the *Nuyina*. It is no surprise to the Committee that those discussions and negotiations have been ongoing for a very lengthy period of time. More recently there is a lot more activity between the two parties and I am confident that we will get an agreement shortly. In terms of the condition of Macquarie 6, we continue to undertake regular inspections to ensure that it is capable of providing the current service to our customer in AAP.

It was around two years ago that at the request of the former CEO Kim Ellis, that we executed an agreement for an interim layup berth at Macquarie 6 that was to enable him to be in a position to work through the budget process associated with the capital investment required for Macquarie 6. It was always understood to be an interim layup berth and we were of the

expectation that that interim arrangement was going to be for around six months and it has now been around two years.

CHAIR - What capital expense has been made on the port?

Mr DONALD - On Macquarie 6?

CHAIR - Since this process has been under way.

Mr DONALD - We have spent perhaps \$1 million or \$1.5 million over the last two years, or around two years ago, to make some interim modifications to enable the safe mooring and berthing of the vessel. In terms of lengthening the life of the asset, that's not possible due to the poor condition of the structure. There's been a number of self-elected spokespeople who have indicated their concerns that TasPorts has not spent money to remedy or rectify the corrosion, or the 'concrete cancer' as it's been described, at Macquarie 6.

The reality of that is in order to effect that work, we're probably talking about \$50 to \$60 million-worth of investment and the moment that we get an agreement with the AAP is the moment that we would then demolish that investment. There is no use for that asset to satisfy the requirements for the new vessel, so we'd be wasting money and the agreement that we reached with AAP was with that in mind. That was always designed to be an interim arrangement. If they wanted us to ensure Macquarie 6 was available for five or 10 years it would have been a very different interim commercial arrangement where we would have invested money to attempt to slow down the ongoing deterioration of the wharf.

CHAIR - So where to now?

Mr BRADFORD - We're currently negotiating with them. I think we're at Option 5 or 6. In brief they have scoped and are continuing to scope exactly what they want - very similar to what you heard this morning on TT-Line and SeaRoad. So, what are the fenders? Is the mooring going to be automated? Are they installing cold ironing - shore-based power - and what life do they want for the berth? I imagine the lease would be 30 or 40 years.

You'd have to have a little bit of visibility of the successor ship to the *Nuyina*. What is she going to look like, because that's the timeframe you're building it for and we can't decide that for them. Once that's scoped - you can have the small scope or you can have the large scope - it's their decision. We will sign a contract and we'll do it for them. We are looking forward to it.

Mr DONALD - We have to then borrow the money and pay the interest bill, pay down the debt and then manage the asset over the duration, so the commercial numbers that we've proposed to them are reflective of all of that and also reflective of the fact that we have obligations to other customers and, therefore, we need to make sure we maintain an even-handed approach.

Mr BRADFORD - We would wish - and it's not for them - that simultaneously when doing Berth 6, we'd do 4 and 5's as well for the cruise industry and for visiting Antarctic nations, not the *Nuyina* and for other trades at that berth, somewhat speculative compared to our other ventures, but we think wise to do at the same time but that's really dependent on the anchor tenant.

Nothing would of course stop *Nuyina* when she's not there, letting foreign nations use that and receiving the money, as it would be their berth to decide what to do with. If you look at the alternatives, it stays where it is on a temporary berth at a point in time, which could be tomorrow or 20 years, that berth may fail. Then she would spend most of her time, I'd imagine, sitting at anchor in the Derwent. That works, but -

CHAIR - I would assume TasPorts have an obligation to keep a safety check on that wharf.

Mr BRADFORD - We do, absolutely.

CHAIR - It's not a hands-off approach.

Mr BRADFORD - No.

CHAIR - You still -

Mr DONALD - That's why we undertake regular inspections.

Mr BRADFORD - But the client knows full well that the berth is at the end of his useful life, not absolute end, but it's not a pristine, brand-new berth.

CHAIR - Any other questions?

Mr BRADFORD - We're very hopeful. If you cut through all the politics - and that's for others to talk about - We really want to sign the deal and get on with it.

Mr DONALD - We've spent \$3.5-\$4 million of TasPorts' money to date on the project, on planning, investigations and design. We had a project team. That project team has now moved on to other things. We were ready and raring to go and you know, if we need to turn that all back on, we will tomorrow.

Mr BRADFORD - Sadly, we've had to write off a sum of money in this year's annual accounts, but that's life.

Mr VINCENT - You can't capitalise that.

Mr DONALD - No, it's disappointing.

Mr BRADFORD - No, we'd like to, but the Auditor-General might have a wee problem with it, so we've had to write it off. I'm sure the government would like the dividend but they're not going to get that bit.

Ms THOMAS - You said you're still in negotiations. Do you have a timeframe of when you expect that to be finalised?

Mr DONALD - I've reported consistently for a number of years that we're close and by nature I'm an optimist.

CHAIR - That's why no one believes you.

Mr VINCENT - Each day is closer.

Mr DONALD - I want us on. I want to sign it. We're responsive to the requests. We're responsive to anything we're asked for that may help. We do observe with interest and there still appears to be no federal budget allocation. As to the why or how, that's a matter for others but I find that a bit bewildering, to be frank.

Mr BRADFORD - Obviously, minister Plibersek has a very difficult portfolio and she has to arrange ongoing funding through the Treasurer and Minister for Finance. That's a matter for her and how much she's arranged. It's not visible to us, but some of the schemes they've suggested would suggest that might be a minor problem. In building a \$1.6 billion ship, you didn't think about the garage? Come on.

Ms THOMAS - Do you see TasPorts having any role in advocating to the federal government for funding for the project?

Mr BRADFORD - To fund the Australian Antarctic Division (AAD)?

Ms THOMAS - For the wharf upgrades that are required.

Mr BRADFORD - That's a good question. We see the funding of berth by user being the responsibility of the user. The AAD is a very strong federal government department. Us advocating to the federal government would be, you know, just sending a boilerman's errand, I would've thought.

Ms THOMAS - But you own the infrastructure?

Mr BRADFORD - We own the infrastructure and -

Ms THOMAS - It's your infrastructure at the end of the day.

Mr BRADFORD - Yeah, but it's their ship. They've already got a berth in Hobart that they had before they built the *Nuyina*. She's just too deep, too high and too wide and that would have been obvious a long time ago.

Mr DONALD - Our role is to provide infrastructure for our customers and through sound commercial practice, ensure that we look after the financial sustainability of TasPorts and our assets. Why is that important? A sound commercial deal for TasPorts means that we can then invest money in other projects. If we signed a deal that didn't meet minimum hurdle rates, as an example, and meant that our interest or tax bill or the asset management obligation eroded the ongoing financial viability of TasPorts, that would be negligent of me and I would say infuriating for all of our other customers around the state. We need to make sure that, again, we maintain an even-handed approach and have an eye on not just the deal that we've got in front of us, but what it does to TasPorts for our short, medium and long-term financial sustainability. It's complex.

Mr VINCENT - I guess there's a question there that you touched on before about extending to berths 4 and 5, was it, to do as a complete job, and you mentioned about cruise

PUBLIC

boats and other people being able to dock there. Obviously, the further you can spread the dollar over time is -

Mr BRADFORD - On 4 and 5?

Mr VINCENT - Yes.

Mr BRADFORD - As I said, it's a bit speculative, but we would suspect that the cruise industry would bring bigger ships to Hobart and that would help pay for 4 and 5.

Mr VINCENT - That's what I was leading to, splitting that cost along the way.

Mr BRADFORD - Yes, but not for berth 6. That would be the AAD's permanent home, with sole use for them.

Mr VINCENT - And you touched on if other nations were bringing vessels in, they could utilise that through AAD?

Mr BRADFORD - Well, they could. We would prefer they use 4 or 5, but you'd expect me to say that.

Mr DONALD - But if they were to use Macquarie 6, we would expect that would have an impact on the commercial numbers that we ultimately agree to. We're very active in engagement with other visiting nations. We've got a group executive over in Argentina today, actually, as part of the trade tour meeting with a range of other countries and continuing to encourage them to call into Hobart as part of their Antarctic program. We're confident that'll be fruitful.

Mr VINCENT - You've got Argentina and New Zealand as your main two competitors in that area, the ports to Antarctica.

Mr BRADFORD - Yes. Our commercial team are pretty positive on the topic, taking a medium-term view, not an immediate future. That's why we spend money to put someone in Argentina to market how good Hobart is as a port and a city for visiting nations. None of them expect to come here for nothing.

Mr DONALD - We're a very active member of the Tasmanian Polar Network and a big supporter. We do anything we can to support a successful agreement with AAP.

Mr BRADFORD - The Premier is a big supporter, which we're pleased to report. We're pushing hard for visiting vessels. We just think it's good for the city, and our self-interest.

Mr VINCENT - I think that's a very big thing, because even with the airport, TasPorts, and the rehabilitation of Antarctica, even the fact of copping the sea [inaudible 1.34.24 pm] down there, that's waste that's got to go somewhere. It has a huge opportunity and is so important for Tasmania's economic future, based around that.

CHAIR - This is a broader question, not just about ports but stakeholder engagement. How are your stakeholders - of which there are many, obviously, including shipping companies and local communities - being engaged in the decision-making process, particularly around

some of the infrastructure requirements and challenges? How do you gauge stakeholder sentiment?

Mr DONALD - Project-specific stakeholder management plans are generally compiled. We identify who the key stakeholders are, we identify the individuals or roles, and then, depending on the project and our objective, we sort of design a targeted plan. If I use the dredging programs in Devonport and Burnie as an example, we have a technical advisory committee we established with key stakeholders from around the Mersey River in Devonport, including representatives of environmental groups, community groups, the local council, the fishing fleet and probably others. We proactively have reported through to them what our investigation, design and plans are with respect to the implementation of the work. I think that's been a really positive example of the stakeholder engagement we've implemented in that regard for Devonport, and we're implementing the same around Burnie, but it's project-specific.

Mr BRADFORD - Yes, and we do it reactively and proactively. The commercial team is out talking to interested parties. A clear example of that is Bell Bay. They are very busy with people with prospective developments at Bell Bay; you'd be here for a week listing them. A lot will fall by the wayside but some will happen. I try also to be reactive. If I see a media release or comment, I often ring the person and say, 'What is the issue?', and quickly get to the heart of the issue.

CHAIR - What formal seeking of stakeholder feedback do you get? Do you get formal reports, whether it's project-related or out to the broader stakeholder base?

Mr BRADFORD - Customer surveys?

CHAIR - Who does the customer surveys?

Mr DONALD - Our commercial and trade team implement our customer surveys. We've got a very defined list of customers and through a third party we engage them to undertake an annual survey. Those results are then reported through management to the board.

CHAIR - When was the last annual survey done?

Mr DONALD - Two or three months ago.

CHAIR - Right, and have you got the report from that yet?

Mr DONALD - Yes.

CHAIR - Can you provide a copy of the report to the committee?

Mr DONALD - Yes.

CHAIR - Who undertook that?

Mr DONALD - I can't recall, but am happy to provide that detail.

Mr de VOS - As I recall, it was generally positive with some improvement.

PUBLIC

CHAIR - Are these conducted entirely separate to TasPorts, or does TasPorts do its own internal processes?

Mr DONALD - Sorry, I don't understand the question.

CHAIR - Is the customer survey a tool developed by TasPorts, or is it developed entirely by the consultant?

Mr DONALD - I think it's by the consultant on behalf of us. We have a list of questions that we're interested to understand but there's also the opportunity for customers to provide feedback generally. It's about understanding what our customers want to see more of, or what we're doing well that they want us to continue to do, or what they think we might need to do differently. It's designed to be, I suppose, independent in nature because it provides an opportunity for a different lens than the direct relationship that we have with our customers. Our commercial and trade team have got a defined list of every customer, every tenant that we have and those are all sliced and diced, so to speak, there is a frequency of touch points with those customers. We have a CRM, customer records management, so all that data goes into there. Every engagement, whether or not it is an e-mail correspondence, phone calls, meetings, it is all recorded. We have a minimum frequency of touch points with every customer.

CHAIR - What I am trying to understand is whether you seek your customers feedback in a frank and fearless way? You talked about a consultant, -

Mr BRADFORD - Certainly anonymous, so it is not identifying 'Fred Nerk said this'. We are looking for themes.

CHAIR - Yes, the consultant report that you got three to four weeks ago, you said -

Mr BRADFORD - Months.

CHAIR - Months, sorry. Is that the first independent survey of its nature?

Mr DONALD - No, there was one last year as well.

Mr BRADFORD - I have been around too long, probably 8.5 years and I think it is the fifth or sixth.

Mr DONALD - Probably be the third or fourth.

Mr BRADFORD - Might be the third of fourth, sorry.

CHAIR - When these surveys are undertaken, are they just a questionnaire sent out to all the customers? I assume -

Mr DONALD - It is not cold, it is through the ongoing engagement that our team have through either of the quarterly touch points, our key representative would alert them to the fact that the customer survey is coming up. It has been done by X, Y and Z, otherwise our customers are going to get a cold call or an e-mail, I mean, I get them all the time. We respect our customers, we let them know that we are implementing our annual customer survey, you can expect to get a contact from X, Y and Z and they are encouraged to be frank and fearless.

PUBLIC

I would like to think that the survey validates what we already know because is that not the true measure? It is the ongoing relationship that we have with our customers, we want our customers to be able to disagree with us or tell us where we need to continually improve or we need this, we need that. We would not always agree but at least we get it out on the table and we can have a robust discussion if we are -

CHAIR - Is this the one annual survey that is done? As I understand there were some customers that were not particularly happy with the process and wanted to have a, what they considered, truly independent process where they could meet face to face with the interviewers -

Mr BRADFORD - I have not heard that.

Mr DONALD - TasPorts has not been, not that I know, in attendance at the sessions but I can provide that information.

CHAIR - I would like to understand how the sessions are done then and who is there. Are they done with groups of customers? Are they done with individual customers? Are they done with representative organisations like unions and others like that?

Mr DONALD - Unions are not customers, are they?

CHAIR - Let us look at some of your customers, like people on King Island, the SeaRoad -

Mr BRADFORD - The SeaRoad, TT-line, the big coastal operate, Grange, the big forest product exporters, the cruise ships, the tenants, lots of them, big, small -

CHAIR - Do all the tenants get a crack?

Mr BRADFORD - Most, I mean, we have tenants on \$10 a year. I do not think we would survey them but a wide section is survey. It could certainly define a customer, basically people that pay us money, significant money.

CHAIR - I just want to understand whether it is done with TasPorts' people in the room sort of thing because that is always challenging to get frank and fearless feedback.

Mr DONALD - I have to confirm but I am pretty confident that it is independent and that it's designed to mirror and validate what we already know. I do not think that there is multiple customers there, I am pretty sure they are customers specific interactions because every customer has a different requirement and we are mindful of also protecting our customers' obligations with respect to competition law.

Mr BRADFORD - There are issues where we expect touch points and push back, things we might have done. We have a very firm paying our invoices policy of 14 days, ports are not cash cows, so our payment records are excellent which is behind him, congratulate him on how well he did with Rex Airlines, compare it to a few other airports in Australia according to Financial Review and we have done very well. We did not have 90 days of debtors with Rex.

CHAIR - You do own an airport.

Mr BRADFORD - We own airport, a good one.

Mr DONALD - One of the challenges we have is that we have statewide obligations on ageing infrastructure, low utilisation of assets, lengthy period of under investment dating back to prior to the commencement of the TasPorts organisation. A tidal wave of investment is required in order to sustain our assets and ongoing improvement to our asset management maturity. Why is that important? Well, that means that we are becoming more and more aware about the condition of our assets and the need for ongoing investment. Our customers have desires and commitments and obligations to grow and manage their own financial responsibilities so that creates tension on pricing.

We have wage growth and the volume improvement or increases in our ports generally is slight but positive. Place all of that in the melting pot together and what does it yield? A challenge. We have a big challenge and that is why a number of years ago we decided that we needed to grow. How are we going to grow? We are going to grow in a number of ways.

I suppose there are three elements to our growth; the first part of our growth is around improvement to the maturity and performance of our business, how we perform what we do and how we do it and being more intelligent with respect to the use of systems like our asset management systems and GIS.

The second part of how we will grow is with existing customers, how can we support our existing customers to be successful and grow incrementally or otherwise their volumes because ports are around economies of scale. The more volume or more ship visits that we can get as a port creates revenue for TasPorts which means we can become more efficient. We do not have assets that we can just turn off. As an example, think about our marine pilotage or towage business, we cannot just turn those assets off, we have to have people readily available on assets there at the right time.

The third part of our growth is to find new customers and new business. We remain very enthused and committed to renewables, as an example, particularly around Bell Bay and Burnie. If we can find new market entrants that then provide incremental or significant increases in shipping volumes for our business, which will then affect the economies of scale and the ongoing financial viability of TasPorts, we can continue to increase our investment in our infrastructure.

Mr BRADFORD - What we are trying to do, very simply, is that East Devonport is the biggest infrastructure project in a generation. It is terrible to say that because for 30 years the ports have not spent anything. East Devonport will happen and I am certain Hobart 4, 5, 6 will follow but I cannot say which month or year. The third league will still probably be Bell Bay.

CHAIR - Just on this growth alternatives, this is long term, it is not next year, but there is significant work being done to look at offshore wind. What is TasPorts doing to position themselves to be able to support that should it go ahead?

Mr BRADFORD - Well, that is commercial-in-confidence but there are two major projects; one, the decommissioning of the oil rigs in Bass Strait and the second is the equipment for the offshore wind farms, both of which will be massive port developments for northern

Tasmania and southern Victoria. Anthony is working very closely with a number of proponents, most of which are not in the press.

CHAIR - If you look at one of the raises renewable energy designs is off the northwest that the Commonwealth one, not the fairly contentious state one, but the one off the Bass Strait of northern Tasmania. Their nearest good port to do that would be Burnie, we know there is limited space there and I understand from hearing from people who are working in this space, it takes, I think about 30 acres, they told me, or something.

Mr BRADFORD - But Bell Bay is a better option - better available land, obtainable or owned by us and converted -

CHAIR - A lot further away from the site, though.

Mr BRADFORD - Well, it's better than demolishing the town of Burnie to have a lay-down area.

Mr DONALD - There are opportunities for reclamation at Burnie. We've got some concepts for that. We understand the north-west opportunity to be further out in terms of the timing horizon. We think the more immediate opportunities are around -

CHAIR - The north-east.

Mr BRADFORD - Yes, Bell Bay.

Mr DONALD - We have a dedicated team working on this and they have been engaged with proponents for two to three years. If I look at just the wind farm proponents, from what I understand, there are 14 of them that we track and engage with. Do I think all 14 are going to happen? No, I think there's two or three perhaps that are going to happen and we're ready to sign documents with them when and if we can.

Mr BRADFORD - Who'll get the best deal? The one that comes with the most proactive, sensible proposal first. You don't want to run third in that race.

Mr DONALD - At Bell Bay we have land available. There are, equally, opportunities for us to reclaim some further land. We believe the proximity to the areas is excellent when compared to the Victorian opportunity, but we also know these projects are too big for one port to support, so these potential customers are going to end up with arrangements possibly with TasPorts and with ports in Victoria, and that's fine too. The opportunity for -

CHAIR - But you need to be in the game, don't you?

Mr DONALD - We're in the game. I often describe the opportunity as a game of Tetris. We have a defined footprint that's available. At the first meeting everyone's interested and everyone wants to sign a deal, but everyone is at a different timeframe of their investment decisions and we respect that. We want to make sure that, if possible, we can sequentially work through a number of opportunities so that we can support the best outcome for Tasmania.

Mr BRADFORD - Our other point is if any proponents are thinking of creating another port not with us, I think five is plenty for Tasmania, but let's maximise the ports we've got.

Mr VINCENT - With your independent asset management rolling all the time, are you updating your real costs of those assets? You were talking about the age of a lot of the assets and the enormous amount of money having to be spent in the next 10 years or whatever, so are there going to be any surprises or are those assets being brought up to modern-day costs?

Mr DONALD - Thanks for the question; it's a very good one that I'll answer in a number of different ways. We have an asset valuation obligation which we're about to commence again moving into the current financial year, so that will help inform replacement costs. As to our asset management system, I know who we've selected. I don't know if we've executed contracts yet so I won't name the software, but once that's fully implemented we'll be able to get real-time data out of that which will tell us what our short, medium and long-term asset management obligation/liability is from a financial perspective. Until we get that, you can appreciate we're working off Excel spreadsheets and 30-year plans, so it's a little bit clunky. As informed experts, I think it's fair to say we expect that the number that we see on those Excel spreadsheets will continue to climb.

Mr VINCENT - And climb massively, I'd say, but it's important for those projects to fall into line with depreciation and what you're allowing for projects coming up instead of running a smaller budget balance sheet.

Mr DONALD - I don't think they'll climb wildly outside of our expected numbers, but they'll be different to ultimately what we have in our spreadsheets today. That's why I said informed experts. We've got a number of critical subject matter experts in the organisation who look at the current data and say, 'Do we think that's adequate?'. No, we're still learning about the condition of our assets, we're still learning about some of the remediation techniques and the costs and the longevity and that will ultimately converge on a better outcome. Realistically, it'll be through the implementation of our asset management software that we become more and more confident of that, and ultimately get to a point where TasPorts has one source of truth with respect to our asset valuation. There'll be an accounting treatment one and the infrastructure asset one.

Mr VINCENT - I guess there's no point in having a \$20 million conversation where the real cost is actually going to be \$50 million or \$60 million, and then everybody saying, 'Hang on a minute, where is the right answer here?', when you've got those independent assessments on assets that should be able to roll into a more predictable amount of money you need.

Mr BRADFORD - With the commercial arrangements we're setting we have a very strong balance sheet. Yes, it has debt and it will have even more debt going forward, but it's a very valuable business with bankable business cases.

Mr DONALD - Historically, the business has had a lazy balance sheet.

Mr BRADFORD - Very lazy, and historic deals with customers that had no view for the future. Cheap as chips and 'Let's get by'.

Mr DONALD - Uneconomic commercial agreements that have been very challenging for our organisation to contend with.

CHAIR - Are there still any of those legacy arrangements?

PUBLIC

Mr BRADFORD - There are.

Mr DONALD - Three immediately come to mind and if we could have terminated those agreements we would have.

Mr BRADFORD - The decision of 20 years ago by a Tasmanian government to amalgamate the ports was one of the brightest decisions ever made. I wasn't party to it, but with the benefit of hindsight, it was a very good decision because it's got capital allocation, actual development of ports and trying to grow trade. That's what we're there for.

Mr DONALD - And it works against or mitigates what was occurring, which was competition between the ports. To be a little crude, I would say that those ports slit each other's throats to get a commercial agreement and we're still suffering from that.

CHAIR - What's the long term for that?

Mr BRADFORD - The end of a long list of legacy issues. They've all got end dates.

CHAIR - Long tails.

Mr BRADFORD - All of us have to have patience.

Mr DONALD - They're challenging conversations, because some of those customers have enjoyed a generation of - from our perspective - uneconomic commercial arrangements, and their whole financial structure is based on that as a foundation.

CHAIR - Does that impact on your pricing for other port and other customers, notionally?

Mr DONALD - No, but it does have a very big impact on our level of investment in asset management.

CHAIR - So you'd say that the pricing that every other customer pays is not impacted by some legacy - very positive deals for them?

Mr BRADFORD - No, we're trying very hard to avoid that.

CHAIR - Do you achieve that?

Mr BRADFORD - By getting rid of the legacy issues we make the rest of the ports more transparent. We have a couple of strategies: remove the remaining legacy arrangements - and some very big ones have been removed in the last two years; and secondly, grow the property revenue. It's too low in relation to the value of the land.

CHAIR - That's your buildings on your wharves and -

Mr BRADFORD - Commercial buildings -

Mr DONALD - Tenancies.

PUBLIC

Mr BRADFORD - If they're not key port business, sell them off, give them away, or don't own them. For those that are, get the rents up to economic rents and encourage commercial development and economic activity.

CHAIR - Why aren't they paying economic rents now?

Mr BRADFORD - You can go back 40 to 50 years on some of that.

Mr DONALD - Some of the leases signed were, I'm sure, done with great intentions at the time. Would they pass muster with current day thinking? I'm sure anyone who read them and would say no, don't -

CHAIR - Don't sign a deal like that.

Mr BRADFORD - Don't a sign a deal like that. 'Oh, but a competing port 200 kilometres away is offering us that at half price'. What nonsense. There are others that have been in the -

CHAIR - What's the longest contractor that fits into this category?

Mr BRADFORD - It's hard to say.

Mr DONALD - As in still to go? Five years.

CHAIR - So, it's not that far.

Mr BRADFORD - No. The horizon is in front of us. We want to grow the cruise industry, that's a clear stretch, and I think we're doing pretty well, but it will be great to see a cruise ship out there in August, fabulous.

CHAIR - The *Spirit*? That's sitting out there in August. Took a photo of it this morning to put on the socials. Haven't you seen it yet?

Mr BRADFORD - That's the *Spirit* is it? What's it doing there?

CHAIR - Exactly, I thought I was back in Devonport. No, it's having maintenance. Touring up one of your ports at the minute.

Mr DONALD - No, it was having some maintenance work undertaken.

Mr BRADFORD - I thought it was a cruise ship. It looks in fine condition, why are they replacing it?

CHAIR - I wish they could put a few homeless people in it for a while it's docked there.

I want to go on to environmental considerations. We are well aware of the incident in the Mersey River with the *Goliath* tugs, but have there been any other environmental issues that have impacted port operations or breaches of environmental standards or anything like that.

PUBLIC

Mr DONALD - Yes, there are, I am aware of one at the Mersey slip where a previous tenant -

Mr de VOS - I wouldn't call it an issue, but we do have a lot of legacy environmental considerations. Mersey slip is one where there's over 50-plus years of old practices, so TBN, Tribunal Nickel and other things that are in the sediments down there and we work with the EPA on managing that into the future.

Mr DONALD - The environmental incident at the Mersey slip was around the previous tenant taking material off the tenancy to an undisclosed location without approval from us or the EPA.

CHAIR - Was the environmental issue in the river or where they took the things?

Mr DONALD - It was a stockpile material rubbish. They were cleaning up their site to make good at the end of their lease and disposed of stockpiles.

CHAIR - It was stockpile that was the environmental issue?

Mr DONALD - The removal of any material off a particular title without approval is a breach.

CHAIR - Were there environmental hazards with that material that was removed or not?

Mr DONALD - I would have to come back and confirm for you. I know there was an investigation undertaken.

Mr de VOS - Are you talking about the airport one or -

Mr DONALD - No, no.

CHAIR - The airport one was from QuayLink project, wasn't it?

Mr DONALD - No.

CHAIR - Where did that come from? The stuff that was dumped at the airport.

Mr DONALD - There was material taken from the QuayLink project to Devonport Airport and that was all done in accordance with approved EPA plans, so that was all permitted. That was from a break-drawing incident.

Mr BRADFORD - Wasn't there a load of soil moved at night, in cover of darkness -

Mr DONALD - There was a tenant -

CHAIR - This is going back to the Mersey slip, are we?

Mr BRADFORD - No, the airport.

Mr DONALD - There was another at the airport, one of our tenancies. There was a removal of material and disposal off-site.

CHAIR - From material at the airport.

Mr DONALD - Yes, which was also investigated by our team and involved the EPA. On all occasions we work very closely with the EPA on all those matters. There is no stone left unturned and we make sure that everyone understands their obligations. We try to do that proactively, but on these two occasions, obviously the tenants either self-selected not to comply or were naïve.

CHAIR - What is the penalty for people who do that?

Mr DONALD - That is a matter for the EPA.

CHAIR - The EPA, they deal with that?

Mr DONALD - Yes.

Mr de VOS - It is worth to note that that material, it was tested and it wasn't contaminated.

Mr BRADFORD - That's a very broad question you asked because from memory recall, I was just thinking what we declared. We may want to take part of that on notice.

CHAIR - Yes, I am just interested in any other environmental breaches or issues there may have been, not just people removing material.

Mr BRADFORD - My concern is we might miss telling you one. The board receives a report every month, which includes items like that. They are not uncommon, but they're typically very minor, but they are answering the type of question you asked.

CHAIR - Sure. We will write to you if there are any other issues. I accept there's probably smaller things that potentially could have significant impacts. If you are removing contaminated material from the river to put it somewhere it shouldn't be and there's still the risk of moving other solids in the riverbed.

Mr BRADFORD - Any hydrocarbons getting into the water, pollution of the air, it's a very serious topic, we take it very seriously. Given ports have a lot of that type of activity you've just got to keep on top of it.

Mr DONALD - The legacy of the past.

Mr VINCENT - You do sedimentary drops on that bow on the movement of the certain part of the time and how long it takes that sediment to settle again. I should have imagined before anything was undertaken -

Mr DONALD - There's a lot of modelling, a lot of modelling and testing undertaken. A lot of that, if I go back to the dredging example around Devonport, a lot of the extensive investigation and testing that was undertaken prior to the dredging and, in consultation with all

of the community environmental groups, and to their credit they provided advice and suggestions that continued to improve our methodology.

Mr BRADFORD - We have obligations to the EPA as well as a as a clean-up activity.

Mr DONALD - And we're working very closely with the EPA at the moment with respect to the *Wyuna* vessel in Bell Bay. You may recall, the *Wyuna* was a vessel that was anchored off the port of Bell Bay and a number of months ago the anchor chain failed and was travelling down the river. We actually have a team on site with the EPA today, working through at the EPA's request and direction to the [inaudible 2.05.46 pm] the removal of all of the hydrocarbons that are on board that vessel.

CHAIR - That's a work in progress at the moment?

Mr BRADFORD- Yes. Ageing vessels, semi-abandoned, are a great risk.

Mr DONALD - Particularly when they don't have insurance.

Mr BRADFORD - They don't have insurance.

Mr de VOS - Have they paid us yet for the tug's work?

Mr DONALD - I'm not sure they may have. I know there was a commitment to, so I'm certainly not concerned about that.

CHAIR - We might take a 15-minute break in a moment because we don't finish till four so there is some tea and that outside. I want to come back and follow-up on some of the other matters we raised in our hearings last time around, the psychosocial safety of the staff and the work that Menzies were doing. We'll come back to that, if that's all right.

The Committee suspended from 2.06 p.m. to 2.21 p.m.

CHAIR - Thank you for coming back and not running away. We will continue on with the questions.

One of the things that this Committee raised with you in government business scrutiny end of last year was with regard to the psychosocial safety and the requirements under the new federal legislation that guides that and your annual report, and evidence talked about the work that Menzies is doing regarding that. You provided some responses to our questions with regard to that, but I wonder if you could update what it was and the actual findings and outcomes and what actions you have taken as a result of the work that has been done by Menzies.

Mr DONALD - We certainly can, thank you, Chair. ISO 45003 was the first global standard giving the practise guidance on managing psychological health and safety at work and workplaces. It is designed to support organisations to appreciate and achieve psychological health safety and well-being in the workplace, to avoid psychosocial risks and unlock the full potential of our people and with that in mind, our objective is to have our people thrive. The ISO standard was published in on 8 June 2021 and we have worked in response to that standard in a number of ways.

The first one relates to the Menzies work, where in 2022 the Menzies Institute invited TasPorts to participate in a 12-month program on preventing harm to employee health through psychosocial risk assessment and control, a case study of the ISO implementation. The case study explored the factors that influence the successful implementation of a best practise and strategic approach to preventing harm to employee mental health that may result from exposure to work related psychosocial hazards. I think one of the biggest and important elements of the standard is the consultation required on the identification of risks and the management and implementation of control, so the consultation is key.

The case study involved TasPorts engaging with staff to understand and progress our own specific approach to addressing psychosocial hazards. This included a working group meeting consisting of 10 people representing a number of different teams across the organisation and across the state. The outcome of the case study was an implementation plan which was designed to guide TasPorts' response to the standard. That plan was presented to our executive team in November 2023 and where we endorsed to progress on the same day and progress the implementation plan. That plan stepped out of psychosocial road map and includes strategies and actions across pre-implementation and implementation phases.

There are two key strategies. Strategy one, assess for readiness and identify barriers and facilitators to take up to four months to complete and that is to prevent harm to employee health through psychosocial risk assessments and control. Strategy two, which is conduct local needs assessment to take up to four months to complete and that is to build capacity to identify, report and manage psychosocial hazards. It is a lot about training and awareness and making sure that our staff understand what support mechanisms we make available and or need to make available to suit their needs. The plan guides our response to the ISO standard.

The next part that I would like to talk about is our internal risk assessment of psychosocial hazards in our workplace. Following the development of the implementation plan, we embarked on an internal risk assessment of the hazards. This work was completed in early January 2024. In summary, the internal risk assessment identified psychosocial hazards which could potentially harm our workers or others at our workplaces, the mitigation strategies and control measures currently undertaken by TasPorts to manage those risks and the adequacy of such strategies and control measures in mitigating those risks.

A summary of the mitigation strategies and control measures which are currently in place to address psychosocial hazards are as follows, and I will take you through each one of the elements of our risk assessment.

Job demands: our mitigations are around effective management and supervision; encouragement of team members to identify risks and stop work if unsafe and report risks via our IT system that we call Beacon; encouragement of workers to take leave entitlements; the provision of our employee assistance program (EAP) and on-site counsellors for workers; flexible working arrangements; provision of relevant training to general staff and the leadership and management team; the implementation of relevant workplace policies; time scheduled to enable the completion of work safely; allocated budget for additional contract labour consultants for additional support; the implementation of a clear grievance handling procedure and post-traumatic event process in consultation with workers; and the provision of accommodation for fatigue management and paid refreshments to support rest breaks.

In addition to that - and I've implemented this consistently for around 18 months now - every new employee that starts at TasPorts I meet with for somewhere between 15 minutes and half an hour, and my messages are simple. It's an opportunity for me to introduce myself as the CEO of the organisation and make myself available to them, but I give them two clear messages around my expectations about our safety performance, safety empowerment and our culture.

The second element of the assessment is around lower job control. The mitigations include provisions of relevant training to team members, including in respect of conducting risk assessments; implementation of a process for reviewing alternative ways to work, enabled through TasPorts safety management system; prescriptive governance and delegation processes; check-ins at internal meetings; and the provision of appropriate equipment and resources to all of our workers.

Poor support: our mitigations include implementation of the Care Factor training program, which is one of our safety education programs, in respect of cultural awareness, safety culture, management of stress and psychological safety, and effective management and supervision; workplace consultative committees, EAP support and feedback through the pulse and cultural surveys undertaken.

Lack of role clarity: implementation of role mandates and position descriptions; corporate business plans and strategy, with work goals tied to strategy; expectation that leaders will complete one-on-one check-ins on a quarterly basis with team members; and regular updates and communications, including via the TasPorts intranet system.

Poor organisational change management: our mitigation is use of a defined change management process that we are currently implementing. That enables a consistent understanding from our people on how we, as an organisation, will lead and manage change so that those change implementations can be trusted and repeatable, in terms of the processes applied.

Inadequate reward and recognition: our mitigation implementation of process for recognising achievements in one-on-one catchups and the annual remuneration review cycle, and opportunities for leaders to train and develop staff. That's in addition to a formal reward and recognition program where monthly there's recognition for nominations and a quarterly award that's presented to a staff member or a team across the organisation.

Poor organisational justice and mitigation: well-established people and culture processes, HR, including annual training on appropriate workplace behaviour and grievance handling matters; the engagement of independent investigators as required; frameworks for performance evaluations, and opportunities for further development of all policies.

Traumatic events or material. Our mitigation - provision of training in respect of post-traumatic stress processes and other support mechanisms such as EAP, and appointment of mental health first-aiders.

Remote or isolated work being the risk mitigation. The provision of additional resources such as break coverage and check-ins.

Poor physical work environment. Mitigation is the implementation of hazard reporting system; weekly safety meetings; workplace consultative committee meetings; regular work health and safety audits; and further opportunities for training on hazard identification and reporting.

Violence and aggression, bullying and harassment, including sexual harassment. Mitigation is a provision of our annual governance and respect training, established processes for incident reporting and trauma procedure, implementation of risk assessment framework and provision of support and our employee assistance program.

The last category is No 12, the conflict or workplace relationships and interactions, with mitigation being the provision of annual governance and respect training, established processes for incident reporting and trauma procedure, implementation of risk assessment framework, provision of support and EAP and further opportunities to refine behaviours supporting TasPorts' values.

In February of this year, we engaged an independent consultant to undertake the risk assessments and there were approximately 20 focus groups across the organisation and across the state over the period of 14 to 16 May. There was a highly consultative process and there were more than 15 participants from across the organisation and across the state and that included one-on-one sessions with every member of the executive, including myself.

The findings on that risk assessment were that there was risks and expressed frustrations around an at times bureaucratic and siloed operation at TasPorts and limited decision-making authority. That clearly sees itself as an opportunity and it does inform me that our organisation continues to move through and has a desire for an improvement to our speed, which is the speed of our decision making and activities, which is I see as a real positive. What we need to do is to make sure that our processes and systems of work are adequate in order to provide the clarity and structure for that empowerment to occur, and this is diluted, feelings of empowerment and autonomy within our teams.

Similarly, there were reported challenges with upward communication with the view that it's often slow and ineffective and can result in a negative reaction. Feedback that while the EAP support is provided, there is need for overall stronger relationships to be built within our organisation, and challenges and changes associated with executive changes towards the end of last year, impacting on leadership, transparency and trust. So that was at a time where our organisation went through a significant change for our executive team and that was a period where our organisation was hurting, to be frank.

And a view that physical safety issues that are readily addressed, but other behavioural concerns being experienced were raised less frequently and inconsistently, and employees did not feel supported when they were raised. So again, our mitigation and support, the ongoing empowerment and education and training for our staff to make sure there are ways that people can feel supported to raise any concerns that they have.

CHAIR - One thing you haven't mentioned is whistle-blower protection.

Mr DONALD - That's separate, but perhaps forms part of our grievance policy. So, it's slightly different, but related.

The findings also identified some areas that we do well, and these include a view that teamwork and interpersonal relationships within teams are strong, emphasising support, collaboration and shared goals and that teams are exhibiting strong cohesion and mutual respect. Very pleasingly, an acknowledgement that the work culture is evolving and there is a strong emphasis on safety, with recent improvements to critical risk control and prevention, a recognition that expected values and associated behaviours are promoted throughout TasPorts and especially at the induction program for new starters and a high value placed on improved EAP program and counselling services, including early onsite counsellors and statewide communication and increased flexibilities to manage fatigue and personal commitments. It was noted that there were also well-intended efforts at the senior level to acknowledge and address mental health challenges.

In July, we communicated to staff the outcomes of our psychosocial focus group sessions and surveys and committed to four key action areas in addition to our risk mitigations and I'll go through those. There are four actions with the first one being around bureaucracy and decision rights within our organisation. We've implemented a project that we call 3P and it's essentially where we're designing three points of contact for a critical decision and it's aimed at reviewing and streamlining our processes and systems of work to review and to reduce unnecessary bureaucracy and delegate decision making authority to support empowerment and we're well progressed with the commencement of that project.

The second one is strengthening internal relationships. So, training sessions and workshops will be organised to focus on building stronger relationships within the team, emphasising direct support and care from managers and colleagues and that has already commenced with the establishment of a number of business planning and team workshops across the organisation in the development of our corporate plan for this financial year off the back of the end of last financial year where I think over 100 staff were involved in that process.

The third one being improving upward communication. So, regular channels for upward communication, including anonymous feedback processes, team meetings and open forums will occur to ensure our people can voice their opinions without fear. And the last one is immediate review of behavioural complaints reported through to our people and culture team to identify opportunities for strengthening support, coaching and or disciplinary action if so required.

CHAIR - If I could just pick up some of those, first of all, I would just ask if you're able to provide a copy of the implementation plan -

Mr DONALD - Certainly can.

CHAIR -and your internal risk assessment, I think you've probably gone through it pretty well, but it's good to have the concise document.

Mr DONALD - Yep, I can, if I just may ask that that remains confidential, but I'm very happy to provide it to the committee.

CHAIR - The implementation plan or the risk assessment?

Mr DONALD - The risk assessment.

CHAIR - Yes, that's fine. The implementation plan I wouldn't have thought -

Mr DONALD - The implementation plan would be fine, but it's the specific risk assessment that should remain confidential.

CHAIR - Just with the reviewing of behavioural complaints we know, I think we probably remember last year when we had GBE scrutiny, we had TasNetworks in before you who had had done a survey that had revealed some pretty shocking instances of behaviour or experiences by some of their staff. Not necessarily and they don't know exactly where these matters occurred, but have you done a similar piece of work to actually ask staff across the organisation whether they have been subject to some of the things you mentioned like bullying and harassment, sexual harassment, discrimination, any of those matters?

Mr DONALD - Yes, we have and that was part of part of the risk assessment process.

CHAIR - So you've done that work survey, was that an internal survey or was that done externally?

Mr DONALD - That was done externally by a consultant over that the week that I mentioned in May between, I think, 14 and 16 May.

CHAIR - Who was the consultant that did that?

Mr DONALD - I can provide the detail, I'm not sure but someone can tell me, I can't recall the name of the organisation. It was a very thorough process.

CHAIR - And were there any findings or reports that came to your attention as a result of that which did require some immediate or urgent action?

Mr DONALD - No, not specifically. What it did inform us was that there were people within TasPorts that felt that that they had either observed or been subjected to inappropriate behaviour or, you know, raised voices as an example, but there were no specifics and we couldn't correlate that feedback that was provided to the consultant with any of our people and culture records.

So, what have we done in response to that as a mitigation? We've strengthened our awareness training for our staff, we've increased our EAP program and the visibility of that. So, we now have EAP providers on site regularly within our offices and our ports so that people can go and talk to those counsellors. We encourage people to talk to their line manager or people and culture representative, you know, on any concern that they may have. Whilst we weren't able to identify any specifics of those examples, we've used the themes to enhance our mitigations.

CHAIR - What specific training has been provided? You mentioned mental health training, has that been rolled out or is this part of your plan?

Mr DONALD - There has been training. There's development and deployment of an online psychosocial training program and rolling out of authentic leadership based on four elements of emotional intelligence and annual face-to-face training for all of our leaders in management, and that's currently underway. Online psychosocial training for managers is to

mitigate risk, identify risk, assessing the risk, and controlling and managing the risk. Online training is for all staff members and it is on track to be rolled out this month.

The annual training is scheduled to be implemented in August/September, associated with the new grievance policy that we've implemented. That will also, as it always does, contain refresher training on our code of conduct, workplace behaviour policy and obligations under workplace law.

Our authentic leadership program is currently being developed for deployment to all people this financial year and to upscale our four areas of self-awareness, self-regulation, social awareness and relationship management.

In addition to that, we have rolled out mental-health first-aid training and I can share the numbers of staff if I can find that. It might take me a few minutes to find that one.

CHAIR - We can come back to that if you need. I am just wondering if any of the training is actually based on the feedback you gave me that came from the staff that some of your people had observed inappropriate behaviours. I am just wondering whether bystander training is included in any of these programs.

Mr DONALD - It is. That's part of our care-factor program, for the bystander effect.

CHAIR - In terms of the training, mental health, first aid and the other training, you said that all staff are doing, that there's some training that all staff are required to do, is that right?

Mr DONALD - Yes. It will be an online training module for all staff.

CHAIR - Are you doing it?

Mr DONALD - Yes, absolutely.

CHAIR - Yes. It's all the way through?

Mr DONALD - Yes, and our Board will be taken through it this time. Sorry, this doesn't talk about the number. I might come back with it.

CHAIR - A lot of the training hasn't been started yet, is what I hear you say, either?

Mr DONALD - No, the mental-health first-aid training, we are well down the path of implementing that. I will try to find that information before we leave today. The number of people that have been trained is quite extensive.

CHAIR - It's a well-established program.

Mr DONALD - It is. Mental-health first-aid training has been conducted for a large number of TasPorts staff members and then we have designated mental-health first-aid officers, which are a subset of the people who have been trained. I will confirm the numbers, but I think we have over 30 people across the organisation who are designated mental-health -

CHAIR - How many employees all up in the organisation?

Mr DONALD - At the moment, I think 311.

CHAIR - Okay, so about 10 per cent?

Mr DONALD - Yes.

CHAIR - When are you doing your next more detailed survey of staff to see what the impacts of this has been?

Mr DONALD - In terms of a psychosocial that will be part of the post-implementation plan, so that will be in about four to six months.

CHAIR - Okay. It is good to see the work you've done because if you were saying that it was quite new to some organisations. Here it says human synergies, OCI is that the one?

Mr DONALD - That is an organisational cultural index survey. Human synergies is the type of tool that was used in the OCI survey. The contractor that was used to do our risk assessments was the LGM Group. We have trained 62 people in mental-health first aid and we have 21 appointed officers, slightly less than I thought, but it's still quite a large number.

CHAIR - And they are right across the state?

Mr DONALD - Yes. There was another question.

CHAIR - It was when the next survey is?

Mr DONALD - Yes. Sorry, I lost my train of thought. I was on a roll. I was going to say something else.

CHAIR - Yes, we were talking about the human synergies tool.

Mr DONALD - That is an OCI survey.

CHAIR - OCI being?

Mr DONALD - Organisational Cultural Index. The next survey that we will implement with staff will be a pulse survey, which won't be an OCI survey. That'll be in November this year. That'll measure our engagement of our staff and that'll be different to the survey associated with psychosocial risks. One of the things we need to make sure is we don't over-survey our staff. We need to time it in a way and then demonstrate authentic -

CHAIR - How are all your staff informed of all these components of the implementation plan?

Mr DONALD - All of that is communicated through our regular team meetings and briefings. We've got an intranet system, Jostle, that we use to post important updates. We've provided feedback to our organisation on what we learned through the psychosocial risk process and the implementation plan.

PUBLIC

CHAIR - The new grievance policy that's been rolled out?

Mr DONALD - Yes, that has been published.

CHAIR - Have you had any grievances expressed through that process?

Mr DONALD - Since the publish of the policy? No, not that I'm aware of, no.

CHAIR - How long ago did you publish it?

Mr DONALD - I think it's only a few weeks.

CHAIR - It's only fairly new.

Mr DONALD - Yeah.

CHAIR - Are there any grievances on foot under the previous framework?

Mr DONALD - No.

CHAIR - Anyone else on that? I just have one before we go to Devonport if that's alright. I understand that there's a MAST deed that's to be renegotiated by TasPorts. Can you update the Committee on where that's at?

Mr BRADFORD - Yes, the MAST deed. It's a deed where we undertake on behalf of MAST a lot, a lot of their regulatory functions. It's been renewed a number of times since its first natural exploration and it's currently afoot until 31 August.

CHAIR - Is it being renegotiated right now then?

Mr BRADFORD - The activities beyond 31 August are being discussed between MAST and us, but are not yet fully resolved.

CHAIR - Can one expect there to be a renewed contract with the regard to the work that the - or new deed rather to govern that work into system?

Mr BRADFORD - Not necessarily.

CHAIR - TasPorts might walk away from that responsibility and leave it with MAST, is that what you're saying?

Mr BRADFORD - No, I didn't say that. I said the deed may not exist after 31 August.

CHAIR - What does that mean?

Mr BRADFORD - Okay, well, what that effectively means is who does the work, who is responsible for it, and how they get paid for it. All that will be sorted out quite easily, but it could be different to what exactly happens today.

PUBLIC

CHAIR - When you say it could be sorted out quite easily, it's been under these assessments and compliance, I assume it's around compliance of marine of wharfs and jetties and things like that.

Mr BRADFORD - No.

CHAIR - So what's it relates to then?

Mr BRADFORD - Marine regulations, marine safety, the operation of the vessel traffic service, the licencing of pilots, that type of thing.

CHAIR - If it runs out on 31 August-

Mr BRADFORD - It will not expire and suddenly nothing will exist tomorrow, but something different may exist. The government in time may well introduce new marine regulations for Tasmania. We would support that.

CHAIR - On what basis?

Mr BRADFORD - Well, improved marine safety.

Mr DONALD - Because we asked for it. I think two or three years ago, we asked the government to consider a review of the marine regulatory environment within the state and that was agreed to. It occurred to us that the regulatory environment was drafted and documented in the 1990s and predated the formation of the Tasmanian Port Corporation. Those with a little bit of spare time on their hands might read the bill that was presented to parliament when that was first drafted and it was all around encouraging the competition between the ports within the state of Tasmania.

You wind the clock forward to 2006 and the government of the day made you know what we believe to be a great decision to form TasPorts and the amalgamation of the ports. At that point the regulatory environment was not reviewed and/or redrafted, and we've continued to provide regulatory services on behalf of MAST. There's certainly opportunities to review the regulatory environment for the benefit of the state. We've been working with MAST and the EPA, facilitated by DSG, for around two years now, to review the adequacy of the regulatory environment and work together on an improved way forward.

Mr BRADFORD - Approved the guidance for the harbour master. The inherent conflicts - we operate a vessel to King Island in competition to other excellent shipping services.

CHAIR - We know. We do know that.

Mr BRADFORD - Yes, but it gets more complicated.

CHAIR - I know.

Mr BRADFORD - We operate the port, which has to service competing interests. We employ the harbour master, who sets the regulations. Can conflicts occur, we say, 'Hmm.' So,

PUBLIC

therefore it would be better if certain functions were separate. We're not the regulator, but the Marine and Safety Tasmania (MAST) deed has us in effect do everything in regulation.

Mr DONALD - It's not right. It's not right.

Mr BRADFORD - It's not the best model, so we are trying to get a better model.

CHAIR - What sort of instrument are you looking for, a regulation? A new marine regulation?

Mr BRADFORD - Others will determine that. We just want transparency and separation of powers. It is no secret we went through -

CHAIR - I understand what you're saying.

Mr BRADFORD - There is another point. We went through a long, bitter, complicated court case involving the Australian Competition and Consumer Commission (ACCC). It cost us many millions of dollars. We say part of the reason is the conflict of the MAST deed. To that operation we are governed by the ACCC regulations. The state is not. There is a conflict. We'd like it resolved.

CHAIR - In the meantime, whose responsibility is it to determine the way forward after 31 August?

Mr BRADFORD - The parties involved.

CHAIR - MAST, TasPorts, state government?

Mr BRADFORD - Us, State Growth, the minister, the EPA, there are a number. We have presented a way forward and others have presented an alternative way forward.

CHAIR - Who makes the ultimate decision? The minister?

Mr BRADFORD - This one, maybe yes.

CHAIR - Well, someone needs to be responsible.

Mr BRADFORD - Well, I would have thought the two parties could sort it out maturely, MAST and TasPorts.

CHAIR - There needs to be some sort of instrument to guide this. It's a pretty important area we're talking about, port and marine safety. We're two weeks away from the date that the deed expires.

Mr BRADFORD - Been there before.

Mr DONALD - It's been extended on a number of occasions.

Mr BRADFORD - The world hasn't collapsed. There are very valuable lessons to all parties, to look at the Goliath incident and think about it. I'm not saying that to the committee,

PUBLIC

but to all parties involved in marine safety: look at the Goliath incident, and think, 'Have we got the best model?' We say there's a better model. Apparently, we're it, for everything. The power is overwhelming, but I don't think it's right.

CHAIR - What was the total legal cost you paid for the ACCC action with Port Latta?

Mr BRADFORD - I don't have that in mind, it was a very - millions. Millions.

CHAIR - One? A hundred?

Mr BRADFORD - A hundred million?

CHAIR - I'm asking you; I don't know the answer. How much did you pay in legal costs?

Mr DONALD - We'll get that. It was a horrible number.

Mr BRADFORD - We ended up paying \$200,000 contribution legal fees because we failed to put something on a website.

Mr DONALD - The likely effects test.

Mr BRADFORD - The likely effects test.

Mr DONALD - The first case of its kind in the nation. I don't think there's been a second. The way the likely effects test was described to me by our very experienced legal advisors was that the current definition - you'll excuse the civil engineer's interpretation of a very articulate lawyer - is, 'Can anyone at any point in time now or in the future think that there was a likely effect?' It's irrespective of the fact that in accordance with the investigation and the legal outcome of the ACCC it was agreed that there was no anti-competitive purpose, and there was no anti-competitive effect. The likely effect - it's like, my God.

CHAIR - The ACCC's still directed you to reduce the cost, though.

Mr BRADFORD - For the then share of the ACCC, it's a crushing defeat. What was it, \$10 million of penalty for offence, settled out of court for \$200,000.

CHAIR - Also, the outcome was that you had to reduce your fees to Grange at Port Latta.

Mr DONALD - No, that's the irony.

Mr BRADFORD - No, increase them.

Mr DONALD - The irony of the agreement was that we could commence recovering tonnage fees from Grange Resources for ships calling at Port Latta. You think about our even-handed approach - up until recently, there has been no collection of tonnage at Port Latta. How is that fair to every other customer?

Mr BRADFORD - Let's refer to a customer of TasPorts, a major iron ore exporter, it's a reasonably profitable product.

PUBLIC

Mr DONALD - A highly profitable business.

Mr BRADFORD - A reasonably profitable product pays no port charges for VTS because they choose not to. It's an outrage. Outrage. The ACCC thought that was fine.

CHAIR - Is TasPorts perhaps spending money on the Port Latta port?

Mr BRADFORD - No. We spend money on protecting the ships in Bass Strait. Who monitors the ships in Bass Strait? Who does all the 24-hour monitoring? Who provides all the emergency response? Who pays for it? Nobody. But they will pay for it. The ship owners will pay.

CHAIR - The ship owners.

Mr BRADFORD - The ship owners who are visiting Port Latta.

CHAIR - The ship owners. This is not Grange, this is ship owners we are talking about?

Mr BRADFORD - We are not asking Grange to pay, no. People around the table may want to support Grange in that activity. I'm sorry, I don't agree with you, if that's your view. We wish them luck.

Mr VINCENT - I was just interested in an overview of Devonport as a whole. Obviously there's been a fair bit on the *Goliath* thing, but that'll sort itself out, I guess, through the courts. Certainly, with the new boats and where we're at with the berthing and all other parts of development. Just an overview for us, thanks.

Mr BRADFORD - I'll just give a brief contemporaneous update, then leave it to Anthony. Yes, His Honour has made a decision in the court case involving the liability of the *Goliath*. That's published on their website. I am informed that we, and our insurers, are appealing that decision to the Federal Court.

Mr DONALD - In terms of our QuayLink project, it remains on schedule and within budget.

CHAIR - Can you describe what QuayLink is, for the purpose of the record?

Mr DONALD - QuayLink is TasPorts' infrastructure project delivery to support the creation of new berths for the new TT-Line vessel at Berth 3, and for the movement and expansion of the SeaRoad terminal.

Mr VINCENT - That would have to move further down towards the Yacht Club to create the space for the new boat?

Mr DONALD - We are essentially moving TT-Line from Berth 1 to Berth 3, and during the early phases of engagement with both TT-Line and SeaRoad, both customers were very clear with us that they wanted to have unimpacted operations during construction. Therefore, we have implemented a stand-alone brand-new wharf and berth parking position for TT-Line at Berth 3. That work is complete. That involved reclamation of land, dredging and the construction of a wharf for the new *Spirit*.

TT-Line, as part of their scope of works, need to build their terminal - so their pavement, their buildings, associated infrastructure and/or including their ramp infrastructure, which will be used to load and unload tourists and freight.

As part of the scope of work, we are also creating an opportunity for SeaRoad to have an expanded terminal, so both customers end up with a significantly larger footprint. The SeaRoad berthing position is largely unchanged, but their terminal expands further north into the existing TT-Line terminal.

Overall, we're scheduled to complete the whole project, I think, in 2027. We remain under budget and within our schedule, which is great. What we've been talking to a different committee this morning is around the works that we've been directed to complete by the government in relation to Berth 1. TT-Line and the implementation of the terminal and construction activity associated with it won't be ready for the arrival of the vessels so TasPorts has been directed to augment Berth 1 in order to accommodate the new *Spirits* at Berth 1. Some of the complexity associated with that is that we need to provide for the new vessels and the existing vessels at the same time, and on an old wharf structure and an old sheet pile wall structure.

There's a number of elements associated with that upgrade work. One is the lengthening of the existing steel ramp. Now, that steel ramp was constructed in 1974 and has been extended a number of times before. We've worked out that we're going to have to replace the wire cables, the winches, the motors and the sheaves, and that's not going to be easy. We have to do that around the existing operation. We need to upgrade mooring bollards so that we can tie the new vessel to the wharf safely.

One of the complexities with the new vessel is that it's longer and wider or has a larger beam than the existing vessel, and that means that currently the existing vessel has a current overlap with SeaRoad when they park. Now, that overlap increases when the new vessel comes in and the harbour master has been very clear that he won't allow that to occur whilst there's movement of SeaRoad. So, when the SeaRoad vessel is going to arrive and/or depart, the new TT-Line vessel cannot be at the berth because of the overlap.

How are we going to mitigate against that? Well, we will do one of two things. We'll either work with SeaRoad collaboratively and move them down the wharf, and that won't be simple. There's automatic mooring units, bollards which we put in place for the new *LIEKUT* vessel, that'll need to be either modified or retrofitted or extended, which is all doable, it's only time and money. The alternative is where the team have been working on a monopile - a dolphin structure that we would put into the berth pockets or into the water, and basically provides a physical separation of the two vessels that will then, from a marine movement perspective, require SeaRoad when they come in to berth, if the TT-Line is already at their berth, SeaRoad will have to come in and reverse into the position, which we're working with SeaRoad to have that simulated at the end of September.

The next element of the work is around the fenders. And so, the fenders are basically the big rubber stoppers that protect the vessel and protect the wharf. The allowable hull and sponson pressure for the new *Spirits* is quite bespoke, quite unique. And so, we've gone to great lengths to design a fender system at Berth 3, we now need to replicate that at Berth 1, but it has

an additional complexity because we need to accommodate the new vessel and the existing vessel at the same time, and the offsets, the whole profiles are very different.

CHAIR - Not tied up together.

Mr DONALD - Yeah, not tied up at the same time, not rafted together like you might see at some yacht club somewhere. So, it's challenging and we're spending a lot of time, Michael and I and others are in daily project meetings. Every morning, we start our day talking about the Berth 1 contingency project.

Mr VINCENT - Berth 1 use after Berth 3 comes into play?

Mr DONALD - As part of our port master plan we always identified that Berth 1 would become effectively a spare berth for and used by expedition cruise ships. So, small cruise ships that might come to Devonport, with the support of the Devonport Council, and also the Navy, and possibly a backup for the *John Duigan* or Bass Island Service or anyone else that might want to move in. The nature of SeaRoad's terminal expansion is that there won't be a large piece of land behind the wharf for anyone to use. It'll just be a wharf essentially, with a very minimal -

CHAIR - Where does the *John Duigan* tie up now?

Mr DONALD - The *John Duigan* uses a ramp on the western side of the river, at the moment.

Mr BRADFORD - If you follow all that through and link it to your earlier question about MAST, and you look at the complexity of what we're doing and what the harbour master's doing, we say marine safety and governance in this state would be improved if on 1 September, the harbour master and his staff work for MAST. And the regulator doesn't exactly have the same view.

CHAIR - The regulator being MAST.

Mr BRADFORD - MAST, They say manana is a better answer.

CHAIR - I see. What?

Mr BRADFORD - Manana - months into the future.

CHAIR - Right.

Mr BRADFORD - 'Let us think about it; let us talk about'. We say, from the first. You can see the complexity. You see what Anthony has to decide and all the issues and you've got a harbour master who works for the CEO of the port.

Mr DONALD - In the implementation, when you think about the bollards and the wind limitation, through our weather-monitoring data we know that there's an easterly wind that occurs at Berth 1 in Devonport and 14 per cent of the year it's going to exceed 27 knots in an easterly direction. That is the current limitations on the current thinking around the bollards for the new vessel. Now, 14 per cent of the time doesn't equate to - there's probably less than that

that the new TT-Line vessel will be at the berth, so it's a small period of time, but nonetheless we want to make sure that we improve that. That's why we're looking at additional dolphin and/or bollards that we could install to increase that limitation to 30 odd knots. But you think about whether there is there a possibility that the vessel could use its bow thrusters alongside to hold it against the wharf like people would see in Hobart with cruise ships when the wind's blowing or sometimes we put tugs alongside.

We do have the sheet pile wall structure at number one which is quite old, so we're mindful of that. We're expecting to have to do some localised repairs to the sheet pile wall - repairs and or mitigations against any damage that the thrusters might create. And we know from a regulatory perspective that the harbour master has a view that if thrusters are being used and/or tugs are being used to hold the vessel alongside, that he'll close the river to other customers at that point in time. And that's where the chairman mentioned conflicts that arise. That's a conflict. How do we explain that to other customers?

Mr BRADFORD - The CEO should never be having to work out safety events compared to commercial activity. That's a very difficult position. You have to support the harbour master and having the regulator employ him just appears to us to be the bleeding obvious.

Mr DONALD - I'm confident that every decision we make is always about safety first, but sometimes the perception of others is, perhaps, not the same, so -

Mr BRADFORD - And the harbour master is of very good quality.

Mr BRADFORD - Independence is good.

CHAIR - In terms of the regulatory functions that TasPorts currently do, whether it's right or wrong or indifferent, is that done on a cost recovery basis?

Mr BRADFORD - We get paid through the tonnage levy. We levy the ship owners, except friends of others in Port Latta, and they pay a levy which includes the harbour master Vessel Traffic Services (VTS) and all the other costs.

CHAIR - There is a cost recovery which you get through your tonnage?

Mr BRADFORD - Yes, and going forward that wouldn't change.

CHAIR - MAST would charge -

Mr BRADFORD - If they wish.

CHAIR - If MAST took on the role - I'm just thinking of the barriers to people saying 'No, we don't want to do it. We're not getting funded to do it' -

Mr BRADFORD - We'd fund them.

CHAIR - TasPorts would fund them?

Mr BRADFORD - Absolutely.

PUBLIC

CHAIR - Doesn't there seem to be a conflict there if you're funding -

Mr BRADFORD - They send us a bill and we pay it. That doesn't mean we have the power to overrule decisions.

CHAIR - The question I asked was - is it a cost-recovery process, which it would be from a MAST perspective. They can or could - I haven't looked at their legislation to determine this, but they could pass on those costs to others, whether it's a ship owner, whether -

Mr BRADFORD - They could. They have the power to levy the ship owner. I'm not suggesting that could be up and running by the 1 September. That's a big ask, but certainly the funding of the thing going forward, I can't see as an issue.

CHAIR - You don't get funded by a government or by an external party?

Mr BRADFORD - They wouldn't be funded by government either. They would just send us an invoice.

CHAIR - But they'll pass on the cost.

Mr BRADFORD - The harbour master may want to do further investigative studies on a topic. We just pay it.

CHAIR - Did you want to ask anything else about Devonport?

Mr VINCENT - Yes. I don't know whether it's good or bad that I'm old enough to remember the *Princess* and the *Empress* and the *Abel Tasman* and everything that goes along.

Mr DONALD - That is impressive.

CHAIR - The ribbons we used to tie to throw off the side?

Mr VINCENT - The streamers, yes, I do. And toilet paper.

CHAIR - Mostly ribbons, which are streamers.

Mr VINCENT - Because of the way the Mersey River is, there's a fair draw on the boats as they go out and you get the sudden water drop and rise again at the Elimatta boat ramp and -

Mr DONALD - And bow waves.

Mr VINCENT - Yes, bow waves and everything like that. With the size of the new ships, have you done any modelling on the effects of the river users there? When we had the old rowing clubs there, many decades ago, it was horrific if the boat was coming in or out. It is relevant, because there is damage done. Also, the turning ability - we kept saying each boat won't be able to turn around in the size of the river, but obviously these boats are substantially larger. I want your thoughts on that modelling, please.

Mr BRADFORD - We have undertaken modelling today. That simulation will continue. As TT-Line has continued to provide data, they start off with a vessel model, and then we

simulate it with the river model. As the vessel build has matured, and the sea trials information validates the performance of the vessel model, we then update or refine the vessel model and go back to the simulator. That is a repetitive process. As I have reported to the other committee this morning, pleasingly the vessel sea trials, as reported by TT-Line, were very positive from our perspective because they validated the performance of the model. We have had other customers, when sea trials have demonstrated a vast difference between the model provided. We need to make sure it's as close to accurate as possible.

To answer your question, it'll be modelled three or four, five, six more times before it comes into the river. If the harbour master is not satisfied, they won't come. All of those other considerations around who's in the river at the time, and bow waves - I've been in communications with Devonport Council, Mayor, and GM around working together collaboratively on the footpath along the Mersey River in particular. I've noted with interest that there are signs along there that alert people to the risk associated with bow waves. We're doing what we can to provide the Devonport Council with plans or drawings showing where future bow waves might not get to. We'll work together on what mitigations we need to work through in that regard.

Mr VINCENT - That's where I was heading to, with that summary. Those signs have been there for 50 years that I can remember, but not always read and adhered to. It is an important part of the process, educating the local community of the issues. It's too significant when you're standing there on the foreshore.

Mr DONALD - It is, and it's a sight to behold with the existing vessel, but when the new one comes in it's going to be worth looking at.

Mr BRADFORD - The Chair would be happy to arrange a tour, if councillors would like to visit Devonport, particularly by sea, to see the work we're doing on QuayLink and the other direction projects.

Mr DONALD - If anyone would like a tour, reach out.

CHAIR - It's helpful to see some of this infrastructure, so we'll certainly pressure that offer and respond.

Mr DONALD - It does give you another perspective when you can see it firsthand.

CHAIR - I hope it's a calm day if I'm on any boats. Before we're on Devonport, just to tidy it up a bit because this is an independent inquiry from the Public Accounts Committee. One, I wondered if you could talk about the funding arrangements for the additional work that is being required unexpectedly by TasPorts on Berth 1, and a clear indication at this stage of how much it's going to cost. I have asked these before but I wanted it on the record here. Also, whether or not you'll be seeking additional funding, or seeking to extend borrowings to fund it.

Mr BRADFORD - We have no plans on any of those topics because the minister, in issuing the direction, has to consider the funding and the cash flow. When I started this meeting he hadn't done so, so we're awaiting his outcome while he decides. We don't expect we'll be paying for it. If there are other complications. I think I'm getting ahead of things. The estimate is not yet firmly or even roughly estimated.

PUBLIC

CHAIR - There have been figures in the media - as much as you can trust any figure that's out in the media - about \$50 million. Are we talking a ballpark of that sort of money? That is a significant amount of money to find either in additional borrowings, additional government funding in the tight budgetary situation, or from TasPorts operation.

Mr DONALD - A lot of it will be dependent on what we assess and design over the next four to six weeks and the outcomes of the simulation with SeaRoad, which are towards the end of September. That will inform our cost estimates. The range of possibilities is quite broad so I think it's inappropriate to speculate.

CHAIR - I'm not asking the actual figure but the cost implications, depending on the modelling, could require more work on berth 2 to support SeaRoad, which will need to be factored into the cost of the overall work. Is that what you're saying here?

Mr DONALD - We're progressing two infrastructure concepts. One is the relocation of SeaRoad further down their berth -

CHAIR - Which will cost money.

Mr DONALD - Which will cost money, and the other concept is the construction of a mono-pile with a fender roller on it, and it might be a series of raked piles instead of a mono-pile. A mono-pile is a singular pile that we can drive into the seabed floor, and it'd be a steel sort of roller system, perhaps with some rubber, which essentially provides a physical barrier and would enable the SeaRoad vessel to roll up and reverse park, essentially.

CHAIR - But either way, whatever the solution, it's going to cost money.

Mr DONALD - Either way it's going to cost money, and the geotechnical information we've got around the location of that possible pile is that we need to do some geotech testing. We've got information that it's about 70 metres away which indicates that the material is pretty soft, which is good from one perspective but not in another. It could be so soft that we can't use one pile and we might need to use multiple raked piles, then we need to work out a way to tie those piles together. Conventional engineering would suggest you create a reinforced concrete structure. That takes weeks or months and we're not planning to do it that way.

Michel and his team are working through designs around the fabrication of a steel tie, basically. Michel's pointed out to me, quite rightly, that that structure won't be there for very long so we don't need to worry about corrosion or durability, so a steel structure would be absolutely fine. I'd like to think that possibly we can fabricate that off-site, drive the piles and place it on top and weld it together. It all sounds pretty simple, but doing it in 30-knot winds and a moving river with big vessels moving in and out is going to be highly complex.

CHAIR - There's also potentially some environmental issues with driving more piles into the riverbed, isn't there?

Mr DONALD - No, I think that'll be absolutely fine. We're talking about one or two piles.

CHAIR - You will have done environmental assessments, though?

PUBLIC

Mr DONALD - Yes, absolutely, but the range of possible infrastructure outcomes will inform the cost.

CHAIR - What's your timeline for having a clearer view?

Mr DONALD - It's the outcomes of the simulations at the end of September. By then we'll have a good idea around design and procurement of the fenders and bollards and the installation required. We'll have a reasonably good idea around the steel ramp extension. It'll be about the timeframe and the cost associated with both options. As I did this morning, I think it's important for me to recognise the great collaboration we're currently experiencing with SeaRoad. It's a big ask of them and there is a lot of attention on TT-Line at the moment, but SeaRoad are just as important, so we need to make sure that the work we would be planning to do with them doesn't interrupt their business, and we appreciate that they're very open with sharing their views and thoughts on that, and so they should.

CHAIR - I understand there's an enterprise agreement being struck with staff at the moment, or has that been completed?

Mr DONALD - We're nearing completion on four enterprise agreements.

CHAIR - Are they all at the same stage? Can you talk us through the agreements?

Mr DONALD - No. We're hopefully at the final stages of all our enterprise agreements. We're not far away from taking them all to a vote.

CHAIR - Who are they with?

Mr DONALD - We have an enterprise agreement for TasPorts, which is our general sort of office space staff and our operations and maintenance team. Then we have two enterprise agreements associated with our towing service. One is for the engineers and the other is for the masters and deckhands, and the third is associated with our pilotage service, so our pilots have an enterprise agreement as well.

CHAIR - I understand the pilots went on strike recently. How much did that cost?

Mr DONALD - Not so recently but yes, in January.

CHAIR - What was the cost of that to the business?

Mr DONALD - I'd have to take that on notice and come back to you.

Mr BRADFORD - A lot of it's hidden because effectively work is delayed and that's your cost factor.

Mr DONALD - Rightly or wrongly, the pilotage group selected to withdraw some of their services with cruise ships.

CHAIR - You would have lost revenue from the ships not berthing.

Mr DONALD - Yes.

Mr BRADFORD - If they avoided the port, yes.

Mr DONALD - There's also the broader economic impact. Some of those cruise passengers were families on holidays coming to Tasmania, some of them on a one-way trip to Tasmania, and they couldn't get off the vessel. I'm up for frank and fearless thrash-out sessions with our workforce to get a good outcome on enterprise agreement negotiations, but that move was -

Mr BRADFORD - Extraordinary.

Mr DONALD - Extraordinary is the way to describe it.

CHAIR - Their actions were approved by the Fair Work Commission, though.

Mr BRADFORD - Okay. People from Western Sydney saved up for this holiday in Tasmania and because two or three people have a grievance they can't enjoy their holiday. Is that unique in Australia? I'm guessing, but I think it would be.

CHAIR - You could argue that people strike to get the biggest impact. I'm not condoning the action, I'm just -

Mr BRADFORD - I was gobsmacked. It is very unusual in Australia for pilotage action to affect freight.

Mr DONALD - It was the first action of its kind to affect a cruise ship in Australia.

Mr BRADFORD - What do they think of Tasmanians and what do they think of our pilots? It's for others to judge.

Mr DONALD - Notwithstanding that, I am advised we have got to a point where we think we have agreement. Hopefully that's the case. We've been in this position on a number of occasions.

CHAIR - You will have a vote on it and then it'll go off for ratification?

Mr DONALD - Yes, by the Fair Work Commission.

CHAIR - You're expecting that to happen soon?

Mr DONALD - Yes.

CHAIR - Okay.

Mr BRADFORD - Very skilled people, very well paid.

CHAIR - They are highly skilled.

Mr BRADFORD - Highly skilled, highly paid and working hours not high, but that's the nature of the industry, the nature of Tasmanian politics. It's okay.

CHAIR - There are others that could fit into that category. There are other professions that need a lot of training required to fill a position but it doesn't necessarily mean they work all the time. That's a matter for them to determine and obviously they had a grievance. It couldn't be met, but if you say it's only two or three, how do they get the numbers to effect a strike when there's more than that?

Mr BRADFORD - Well, they effected a vote to take protected action and they decided what their protected action was.

Mr DONALD - I just think there's other things they could have done to get the same outcome. We haven't changed our approach to negotiations as a result of their action. Who lost out? It was those families who wanted to visit Tasmania and the family-owned tourism-related businesses in Tasmania that didn't have the buses turn up that day.

CHAIR - If you haven't changed your approach to it, it's a bit like a kid doing the same thing and expecting a change. That's the definition of insanity or something along those lines. You say you haven't changed the way you're responding and negotiating with the pilots, so why are you expecting a different outcome this time?

Mr DONALD - We've continued to refine wording and clauses.

CHAIR - So you have made some change.

Mr DONALD - Yes, but we haven't changed our approach. We're always up for the frank and fearless thrash-out and discussion.

Mr VINCENT - With the increased volume and extra parking and everything that you're putting in the larger hard stand areas, has there been communication? I haven't been up to East Devonport for a couple of years now, but with the road traffic movements and in and out of Ryde Street or up on the Tarleton Road.

Mr DONALD - There is a detailed traffic management or traffic modelling that has been undertaken, we have done some, but there is an obligation on TT-line to complete theirs as a part of their work. The configuration of the entry and exit points, the location, the way that they manage sort of the arrival and departure of vehicles and or queues has a big impact on the congestion or efficiency of the road network. There has been a lot of engagement with Devonport council, I think it is fair to say there is still a little way to go in that regard.

From our perspective, we have had a lot of engagement with businesses and council businesses on that side of the river to work them through the change in location of departing people and how they will now enter the site in a completely different location to where they do today,

Mr VINCENT - Could have a fairly large impact on some of the business along that area. Thank you.

CHAIR - Just another thing that is not a ship, the Devonport Airport which you own as well, in the recent challenges that Regional Express are dealing with. What actions have you taken, without discussing commercial discussions with Regional Express, has it impacted the

PUBLIC

landings at Devonport? I understand that they are still keeping all their regional links. They are terribly important for the north-west coast.

Mr BRADFORD - Rex is now under administration, who have guaranteed all the landing fees since 20 July, so the only bit we are out of pocket for is about three weeks, which I grumble about, but it is not -

CHAIR - Three weeks when it was not being paid.

Mr BRADFORD - We have not been paid and we probably would not be, but it is not the half a million being reported at other airports. We have been guaranteed the payments on 31 July -

CHAIR - By the administrator?

Mr BRADFORD - By the administrator, and I imagine that services will continue until the administrator completes their work. In reading the financial review, I think there are a number of parties interested in the regional network, but what that means I don't know.

CHAIR - You have not had a direct engagement with the administrator at this stage other than to get the guarantee?

Mr DONALD - No.

Mr BRADFORD - And given our importance compared to other places like Wagga, I suspect we would not.

CHAIR - How many Regional Express flights a day come in to Devonport currently?

Mr DONALD - Three.

CHAIR - Six all up - three in and three out? Yes. Do you know whether they are very full? I am not saying you would know.

Mr DONALD - I will look at the monthly passenger numbers, I do not necessarily look at utilisation.

Mr BRADFORD - We probably better not say on camera in case it affects their marketing ability to fill the flights.

CHAIR - I think it is really important we do not talk the airline down.

Mr BRADFORD - No, I am not talking the airline down.

CHAIR - There has been a bit of that in the in the media because we want them to keep flying.

Mr BRADFORD - Absolutely. Our grumbles about the non-payment is about the previous management. I will get over it in time, eventually.

PUBLIC

CHAIR - In terms of capital investment at the Devonport airport, is that listed in your asset management plan?

Mr DONALD - I think there is, I am not aware of any significant investments required at Devonport Airport, a lot of it is linked to growth opportunities. I think one of the ones that will happen at some point in time will be the creation of a business park or industrial park at Devonport Airport. We have a lot -

CHAIR - On your land?

Mr DONALD - We have got a lot of space and we understand that in the Devonport area industrial land is nearly all gone, which is great from our perspective, we want to make sure that we position ourselves well in that regard.

CHAIR - Is that in the western end of the airport? The western end of the entrance?

Mr DONALD - Yes. As with all of our investments, we deal with bankable business cases, so we need to find a tenant or a proponent that wants to pay rent that enables us to invest in our infrastructure.

CHAIR - TasPorts would develop the site?

Mr DONALD - As an option? Yep. Or, someone might come along say, we'll just take it as is and pay this amount.

CHAIR - Would you lease the land to them then?

Mr DONALD - Yep.

CHAIR - So, you get a lease payment?

Mr DONALD - Lease payment, yep. Just on land. Undeveloped land.

Mr BRADFORD - You'd hope to link it to the activities of the airport, of course?

Mr DONALD - As many developers do everywhere, we want to enable further expansion to occur. Business parks are not just for one tenant, and industrial parks are not just for one tenant, are they? So, there's an infrastructure spend required in order to get some services there - water, sewer, in particular. Really, the first customer is going to be an important one and could trigger a number of others to follow.

We'd love to see another carrier come in addition to the current two, and an expansion of our terminal or lengthening of the runway. All of those will occur in the fullness of time, when other businesses have bankable business cases that can substantiate their investment.

CHAIR - Who do you think might come in?

Mr DONALD - Who knows? One of the challenges with Devonport Airport is the proximity to Wynyard. We know, through a previous survey - it's three or four years old now - that there's a significant number of people that live in the Devonport Airport catchment

PUBLIC

that choose to drive an hour-and-a-half to Launceston Airport to pay for a cheaper flight. Now, what would I say to those people? Maybe take a couple of minutes to calculate and quantify your own time and your fuel cost and your car parking bill, because you might find that -

CHAIR - It's only cheap if you're going as a family.

Mr DONALD - You might find Devonport Airport's a great option, and we welcome those people to come and use our facility. It's a pretty little airport. It's very efficient, excellent customer service - and it's great a connection straight into Melbourne.

CHAIR - It's Wynyard, and that's your challenge as well. Wynyard probably flies too.

Mr DONALD - Yeah. Well, they're very close, aren't they? I mean, so we pinch -

CHAIR - When you get fogged-out of one, you can land at the other, though. Unless you're fogged-out of both.

Mr DONALD - Yeah. We pinched each other's volumes.

CHAIR - Kerry, did you have anything else you wanted to -

Mr VINCENT - No.

CHAIR - That's all I have for today. We will write to you with some of those questions to follow up with, and we will share that document you handed over earlier with this and the Public Accounts Committee with regard to the Devonport wharf.

Mr DONALD - Sure.

CHAIR - Thanks for your time today, and we'll hear from you in due course.

Mr BRADFORD - One last thing from me; it came up before the break. The *Wyuna* owes us \$115,000 for various services and have paid nothing.

CHAIR - Which one was that?

Mr BRADFORD - Not the *Nuyina*, the *Wyuna*- the Tamar -

CHAIR - Oh, the barge, the boat that went loose. Cut and went loose, yeah. Off on a little frolic of its own.

Mr BRADFORD - Very well put.

Mr DONALD - And a credit to our harbour master VTS, and in particular our towage teams, for the way in which they recovered that vessel in real time. I had the opportunity to observe that via video as it was occurring, and it was a particularly proud moment. It was unbelievable what those guys did. Very dangerous, but very skilled. They were doing dynamic risk assessments, informed by one of our pilots and our experienced landslide operations team - it was a huge team effort. The reality is that that could have killed someone. It was

PUBLIC

drifting - it's a massive vessel drifting - it's 80-odd metres long, drifting down the river, unpowered.

Mr BRADFORD - And where was the local governance board and people in charge of it? Totally went missing. Uncontactable.

Mr VINCENT - Who owns it?

CHAIR - You know who owns it, do you?

Mr BRADFORD - There's a group. Yes, we know. It went missing, but a week later, they could produce a press release on what a great job they're doing. Seriously.

CHAIR - So, can you recover any of those costs? I suppose you have to take them to court to do that and it wouldn't be worth the cost, notionally. You will consider all your options.

Mr DONALD - We will consider all our options. On behalf of Tasmania, we'll make the right call, but we will, we want our debts paid.

Mr BRADFORD - I fear the honourable Treasurer will have to make a call to cut her up at great cost to the Tasmanian taxpayers, but that's for the future.

CHAIR - Whose responsibility is that if the owners are nowhere to be found?

Mr BRADFORD - Or have no money or good ideas and nothing in the pocket.

CHAIR - It falls to -

Mr DONALD - Not to us. I guess, the Treasurer.

CHAIR - He won't be getting out with the chainsaw or the angle grinder.

Mr BRADFORD - No, he's got the money to pay the million or so and the rest, I suppose, to cut her up.

Mr VINCENT - Think of it as another dive wreck.

Mr BRADFORD - That'll cost even more.

CHAIR - Tow it out and drop it in the ocean?

Mr BRADFORD - The hydrocarbons -

CHAIR - In terms of the removal of the hydrocarbons off it, is that -

Mr DONALD - That's currently under way or it's about to commence and that's under the direction of the EPA, so that will be done. Then there's some - the harbour master -

CHAIR - At whose cost is that occurring?

PUBLIC

Mr DONALD - At the vessel owner's cost, as directed by the EPA and the EPA have slightly different powers than we do.

CHAIR - So, the EPA will go after them for that?

Mr DONALD - Yes. It won't be over soon.

Mr BRADFORD - Chair, thank you for the questions and the courtesy.

CHAIR - All the best on your retirement.

Mr BRADFORD - Thank you, it's imminent.

CHAIR - Not far away.

Mr BRADFORD - It's imminent. I will retire at the AGM, which will be late November, early December.

CHAIR - You will front up to the downstairs committee for this year, but you won't be there.

Mr BRADFORD - Well, maybe. The new chair might have that great honour.

CHAIR - Yes, probably.

Mr BRADFORD - Three sleepless nights beforehand.

CHAIR - Thanks for your time.

The witnesses withdrew.

The Committee adjourned at 3.38 p.m.