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THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON MONDAY 12 MAY 2025

INQUIRY INTO THE TT-LINE *SPIRITS* PROJECT

The Committee met at 9.34 a.m.

CHAIR (Ms Forrest) - Welcome, Mr Imlach, to our Public Accounts Committee hearing. We're inquiring into the delayed delivery of the berth in Devonport for the new *Spirit* vessels and, as part of the oversight of the delivery of that new berth, as you'll be aware, we're looking at opportunities to support the Tasmanian tourism industry and the Tasmanian producers until the new ships arrive. We now have an approximate date for the end of 2026 for delivery, but we're keen to hear from businesses in the North-West particularly that have been impacted and how any support provided from the Government has assisted or otherwise a business such as yours.

I'll get you to take the statutory declaration, which is there. Introduce yourself after you've done that. If you want to speak further to your submission, we've read your submission, but you're free to say whatever you like. If there's anything that was of a confidential nature that you wish to share with the Committee, you can make that request and the Committee would consider it. Otherwise, everything you say is covered by parliamentary privilege. That privilege doesn't necessarily extend when you leave the Committee hearing so be aware of that. If you speak outside the hearing, keep in mind that the privilege doesn't attach to that.

Mr GAVIN IMLACH, PROPRIETOR/MANAGER, LATROBE MERSEY RIVER CARAVAN PARK, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you. It's over to you to introduce yourself and your business.

Mr IMLACH - I'm Gavin Imlach. I'm the proprietor and manager of the Latrobe Mersey River Caravan Park. We operate from 10 River Road, Latrobe. I built the caravan park in 2005 and it's been a seven-day-a-week journey for the last 20 years in preparation for my retirement in 2025. The business was set up for me to then step aside and put managers into the business, which I did in 2023 with the advice from the Premier that they were introducing the new vessels and that my occupancy would increase by 40 per cent.

CHAIR - Was that your modelling or -

Mr IMLACH - That was the Government's modelling. We were told, all tourism ventures, I suppose statewide or at least on the North-West Coast, were asked to prepare for that increase, which I did, which was a significant increase - 40 per cent is nearly half as much again.

Mr WILLIE - On that 40 per cent, is that linked to the ships' extra capacity?

Mr IMLACH - Yes, that's correct, that that was an investment worth making. I went out on a limb and borrowed money and invested in infrastructure upgrades and putting managers

PUBLIC

on, in particular. They started in November 2023 for the introduction of the ferries in 2024, so they had a 12-month training period.

It came about that I was informed in October 2024 that the berth wasn't ready for the vessels, so the 40 per cent increase wasn't going to happen.

CHAIR - Who informed you of that?

Mr IMLACH - The media. It came through Jeremy Rockliff in the media. I hadn't had any information from anybody about it prior to that, but the knowledge I have now is that the Government knew in April [2024], or at least Jeremy Rockliff knew in April, but he didn't inform us. We kept spending, leading up to this November 2024 introduction.

I just wish that if he knew in February or April or whenever it was, he could have announced it then and we could have then taken remedial measures to halt the spending and try to revert back to where we were, but that didn't happen. We just kept moving towards - then in October when everything's pretty well done and dusted and ready to go, we were informed by the media that, no, it's not happening.

CHAIR - How were you informed? You said you were informed by the Government that there would be an increase of 40 per cent to your patronage. How were you informed of that?

Mr IMLACH - There were public announcements from the Premier.

CHAIR - You weren't written to specifically?

Mr IMLACH - No.

CHAIR - Do you have a copy of the public announcement still?

Mr IMLACH - No, I don't.

CHAIR - That's alright.

Mr IMLACH - I mean, it was common knowledge, we were all - I'm not the only one involved in this. We were all scratching our heads thinking, 'Can this be a fact? Is it real?' 40 per cent, that's a huge increase. Then, when we started studying the layout of the ship and understanding that there was no height restriction on it. At the moment, the ferries have a 2.1 metre height restriction. If you're over that, there's only a certain amount of spaces allocated for you, which is a caravan or a motorhome. Once we realised that the ferry could take over 2,100 on every floor, okay, there is a 40 per cent increase when you do the numbers on that, so we felt assured that that's how it's going to go.

The other point is, which was an added stress factor to all this, when they made the announcement that the ferry berth wasn't ready and the ferries wouldn't be coming into service, something happened that I haven't got any way of finding out with the bookings. My caravan park was empty of mainland number plates from November to December [2024].

CHAIR - In 2023?

PUBLIC

Mr IMLACH - November to December 2024.

CHAIR - In 2024, sorry.

Mr IMLACH - The announcement was made to me. I knew, officially, in October that it wasn't going to happen and then, well, really from October, November and partway through December, nobody came in. There were no mainland number plates coming off the ferry and I had zero bookings day after day after day, which is an unusual event. It never has happened in the 20 years that I've been in business there. So, something happened with the bookings. If I think it through, you have a new ship coming on, people are booking 12 months in advance to bring their caravan to Tasmania - if they have it marked that that ferry is going to be operating in November, they would be putting the bookings on the new ship. Then, I think, what happened is the new ship didn't come into service, so all the bookings they had on that - what did they do with them? Because they can't - they have a 2.1 metre restriction on the old ship, so I think they just canned all those bookings, which left an empty vessel. I don't know. That information is not available to us. The TT-Line is a closed shop. We feel as though it's crucial that we know how many motorhome, motoring tourists are on that vessel each sailing so we can prepare for that. When I asked those questions of Mr Grainger, which I did in writing, he said that it's a competitive market and that if he gave out that information he would be giving an advantage to his competitors.

CHAIR - What were you actually asking for? What specific information?

Mr IMLACH - I was asking for information on how many motoring tourists are on this sailing. Some method whereby we can judge what we have to deal with each day. It could be nobody, there could be 400.

CHAIR - Who are his competitors who he was referring to?

Mr IMLACH - There aren't any. When I wrote back to him and asked him that question, I didn't get a reply. I put two other requests into him and didn't get a reply for either. So, if the Committee has any power that would be a nice inquiry to conduct. Why can't we get that information?

CHAIR - You're surmising that when it became public that the berth wasn't going to be ready, the new *Spirit*, even if it was available at that time, wouldn't be able to berth, so any forward bookings would have to be either cancelled or shifted. I mean, this is a question we can ask of TT-Line, were they cancelled or were they shifted to the existing vessels, which might have been at capacity, I don't know. Is that the question?

Mr IMLACH - The point is, the new vessels will take an unlimited - or a maximum capacity of over 2.1 metres, so if they want to put more caravans in every space on the new ferry then they could. On the existing ferries they have a limited number. It's only a small number, actually. They have to go up the sides of the ship.

What I'm thinking is, maybe they had the bookings for the oversize vehicles on the new ferry to capacity, then when they realised the ferry wasn't coming, that amount of vehicles couldn't then fit on the new ferries.

PUBLIC

CHAIR - What happened in terms of your own business in January, February, March, April [2025]?

Mr IMLACH - It started to move again. About the middle of January, we started to get the mainland numberplates appearing again. Prior to that it was local people, because they couldn't get out either. It's the same now. If you go onto TT-Line's website now and try to book a caravan, you can't get out of Tasmania until 17 August [2025].

CHAIR - Yes, my constituents tell me that.

Mr IMLACH - I've printed the booking sheets, if you want to read them. Why is that? Is it full of tourists? Well, I don't have any tourists in my park. I'm closing it on Wednesday.

CHAIR - Not permanently?

Mr IMLACH - No, I'm closing it until 17 August, because as far as I'm concerned, nobody's coming - because there's nothing booked and I have no bookings for it. It's senseless, throwing more finances into provision for motoring tourists when there aren't any coming.

CHAIR - Just yesterday the Government put out a media release saying they're offering these \$100 vouchers again. I mean, \$100 would probably go a fair way to staying at a caravan park for a couple of nights. I'm not sure what your rates are, but that said, do you think that's going to be at all helpful? What about the funding that was allegedly provided to support businesses like yours when that announcement occurred that the berth wasn't ready for the new vessels?

Mr IMLACH - The question you're asking me is do I think the vouchers are of a benefit to my business?

CHAIR - Yes.

Mr IMLACH - Well, are the vouchers provided to local people or are they provided to visitors?

CHAIR - I understand it's Tasmanians - Tasmanians to 'holiday at home', to use it within local businesses.

Mr IMLACH - I haven't seen the nitty gritty of it. I think anybody who has a caravan or motorhome that wants to go on holiday isn't going to the mainland, for a start, so they're coming anyway. They can't get on the ferry, can they? I have a caravan and I want to go away for a winter holiday in the north. I can't get out of the state, so, I don't know.

Mr WILLIE - You think they're going to get \$100 for doing something they're going to do anyway?

Mr IMLACH - I think so.

CHAIR - What about the funding offered when the announcement was made in October 2024 that the berth wasn't going to be available, or ready? There was some funding provided by the Government to try to assist businesses like tourism and hospitality, et cetera,

PUBLIC

in that north-west region around Devonport and beyond. Did you see any benefit from that you could report?

Mr IMLACH - I didn't see anything. Nothing came in to me. Do you know what the benefit was? Do you know the details?

CHAIR - No, I'm asking whether you saw any benefit.

Mr IMLACH - No, nothing has come to me. I haven't received any benefit, anyway.

CHAIR - In terms of financial impact on your business - without disclosing matters you don't wish to disclose - what's that been?

Mr IMLACH - It was so critical that I went through stages of creating new plans of how to deal with it. I had my original business plan where the managers would come in, they would run it, and we would run at a 40 per cent increase in occupancy. That was in relation to the money I'd borrowed to increase the infrastructure spend of the park. There's water and all sorts of things that need to go on there, to get it lifted up, to carry nearly half as many again. You're asking how much? In dollars?

CHAIR - If you can quantify it in dollars, yes.

Mr IMLACH - Well, I haven't done it for the full year. My submission took me up until December, I think. That's relative, now. I think it's best to keep it within that parameter. Do you agree?

CHAIR - Yes, sure.

Mr IMLACH - In that period, from November through to December, the figures that I show in my submission, it was about an \$80,000 loss in income. There were a lot of other losses involved. My managers had to be dismissed. I was paying them to be there with nobody there. Why wasn't anybody there? It wasn't just that the ferries didn't arrive. Nobody came on the old ferries. The park was empty for three months, basically empty. We take the registration numbers of the people who come in, as part of the check-in, and there was no-one from the mainland coming off that ship. Why? I don't know, and that's not something anybody's going to answer.

Ms THOMAS - Can you remind me what three-month period you were referring to?

Mr IMLACH - October, November, December 2024.

Mr WILLIE - Do you have contractors and things like that who you work with on your business? Has it impacted them at all?

Mr IMLACH - Well, not so much, no. What happens is, a lot of businesses feed off me. When they come in to the state, they are devoid of vegetables. They take all their vegetables and fruit off them in Melbourne. When they come here, the first thing they do is go to the supermarket and restock, so I have a referral to the local IGA on my [inaudible]. Whip up there, he stacks his shelves up with vegetables and fruit, and they come in and clean him out. That's

PUBLIC

the other point - he doesn't know, from day to day, if I'm going to send 200 people up or nobody, and they don't have that information from TT-Line.

The café outside the exit to the port when they come off, she doesn't know whether to have 20-dozen bread rolls in for the bacon and egg sandwiches or none, or to have 10 staff members or none. She just waits until they come off and starts calling people in and running around to the bakery to get more rolls, and she gets swamped, but she doesn't know which days she'll be swamped.

That's something I'm putting to the Committee. You might be able to ask that question and can a method be formed -

CHAIR - To assist the business community?

Mr IMLACH - Yes.

CHAIR - I am guessing that maybe it'll be a bit more reliable once the new vessels are actually on the run.

Mr IMLACH - I don't know. It's a closed shop. I don't have any information on how it operates. I go down there and give out my brochure some mornings and evenings, and I find that it brings tourists in on a Saturday night, a Sunday morning, a Sunday night and a Monday morning. I believe the rest of the time it's carrying freight, because the freight companies are closed on the weekends. That's just my observation.

CHAIR - Tourists - people in cars and people with caravans and campers and that sort of stuff?

Mr IMLACH - Yes.

Mr WILLIE - What are your plans moving forward? The Government's saying it's going to be available in October 2026. Will you take them on their word and plan for that, or will you wait for it to go into service and then start gearing up?

Mr IMLACH - Well, I think I'll just gear out of it.

Mr WILLIE - Right.

Mr IMLACH - I have another plan. There are some other factors, but when the new ship comes in, I probably won't be servicing caravans and motorhomes, unfortunately.

Mr WILLIE - You've had enough.

Mr IMLACH - I'm not waiting until 2027 or whenever it's going to be. I can't. I have to do something else, so I have another plan. I'll try to work towards that.

Ms THOMAS - There's been a change in Chair at TT-Line. Have you considered writing to the new chairperson asking for the information that you've had trouble getting in the past?

Mr IMLACH - Well, it's a good point and I should do that, but I haven't.

PUBLIC

Ms THOMAS - You haven't yet?

Mr IMLACH - I will.

Ms THOMAS - On the Infrastructure Tasmania website, the Government talks about the \$5 million *Spirit* Preparedness Fund where the intention was to release guidelines for the program on 4 March 2025:

A program will be available for council and operators to support the development of new products and offerings, enhance existing attractions, and support councils to deliver key infrastructure such as signage and charging stations

Have you looked into that program at all?

Mr IMLACH - I don't think it's centred on private operators. I have seen it, but I can't see any toehold in there to make application for any funding for my business.

Ms THOMAS - Have you had any discussions with your local council about whether they might be seeking funding or could work with you on that program?

Mr IMLACH - No, I haven't.

CHAIR - You don't have to respond to this if it's something you don't wish to discuss, Gavin, but I imagine one option would be to sell it, but now wouldn't be a good time to sell because there's no guaranteed patronage for any period up until at least the end of 2026.

Mr IMLACH - As I previously stated, I'm in my 69th year, so I'm ready to retire. I've got plans. The culmination of the last 20 years of seven days a week - and I have honestly done that amount of time and that amount of days - to get to the point where I can put managers on and I can take a step back, still be in control of my business, but not have to be there every day. Since then I've looked at, well, leading up to that, I also looked at leasing the business. I contracted an agent to investigate what the value of that would be for me. He arrived at a sale figure for the lease on the 2022-23 figures. He came up with a solid figure of how much your lease would sell for. Then the actual facility would be rented to the lessee for 'this' amount and he came up with a solid figure for that. That was a really pretty amount. That was a retirement amount for me. Then, I thought, 'Okay, we're going to get hit with this 40 per cent that's going to be even more attractive after the first year.'

What's happened now: the sales have dropped off by around \$150,000, which has almost cut the figures the agent had in half. That's eliminated my plan for retirement. I now need to push on for the next period of time, take it in another direction and try to develop that. If you get that point, the value of the business has almost been halved because of this.

Mr WILLIE - After you spent money on it, too.

Mr IMLACH - Exactly. That's the culmination.

CHAIR - It's a double whammy, isn't it?

PUBLIC

Mr IMLACH - It's a double whammy. It's just so disappointing - after 20 years, all this trial and error and getting to a point where I'm ready to step out, then all of a sudden I've been crucified by the failure of this process.

CHAIR - Do you know how the land is zoned, where the caravan park is? Council zoning.

Mr IMLACH - It's zoned as open space. There are two things you can put on an open space, and that's an abalone farm or a caravan park.

CHAIR - Probably not many abalone right there, I don't reckon. You never know, I suppose.

Mr IMLACH - Maybe I can diversify into that.

Mr WILLIE - How many staff have you had to let go, Gavin? That wouldn't have been easy.

Mr IMLACH - Two - and one housekeeper, so I suppose it's three. I had a part-time housekeeper as well as a full-time.

CHAIR - Did you do most of that work yourself?

Mr IMLACH - I do it all now. I'm back to doing that.

CHAIR - Gavin, thank you for coming and sharing that because it's the real lived stories that make the difference for us to understanding what the impact is. As you know, we're a long way from Hobart up there.

Mr IMLACH - Yes, that's right. I'm really grateful for the opportunity to come and at least put my piece forward and hopefully give you an idea of where we're sitting with all this. It's not pretty.

CHAIR - It's really important to hear that directly from those impacted, so we do appreciate the time you took to put a submission in and to provide some real evidence about what it's been like for you. You've also described the impact on the takeaway shop, the IGA. Obviously, they're really crucial businesses to that community as well.

Mr IMLACH - Yes. The other point was, the ones I really feel sorry for are my managers. I had to let them go. We tried on a couple of occasions to work it so they stayed because they were living in the premises there and they had their job and they'd planned for it for the next few years - three years - then all of a sudden, they had nowhere to live and they didn't have a job. That was me that did that to them.

CHAIR - Which is pretty tough.

Mr IMLACH - It was a really difficult time. He's actually - this is honest - on the day that I put him off, he had a stroke.

CHAIR - Oh Gavin, I'm sorry to hear that.

PUBLIC

Mr IMLACH - That's where he ended up. The stress of all that just impacted on him that much that he fell on the kitchen floor and the ambulance took him from there.

Ms THOMAS - Have you spoken to the Premier directly about your concerns or corresponded with the Premier directly?

Mr IMLACH - No, I haven't. I don't feel as though there's any - would he do, or what can he do, you know? He's relying on his ministers, I suppose, but Jeremy lives in Devonport. Jeremy goes past the port every day to his supermarket. He can't say that he didn't know the port wasn't being built.

CHAIR - It's difficult, isn't it? It is helpful for all of us though, including the Premier, to hear personal stories, so thank you. Thanks for your time today, Gavin.

Mr IMLACH - Thanks for giving me the opportunity. It's been a pleasure.

The witness withdrew.

The Committee suspended at 10:01 am.

PUBLIC

The Committee resumed at 10:48 am.

CHAIR (Ms Forrest) - Thank you, Nathan and Neil, for appearing before the Public Accounts Committee on behalf of TasFarmers with regard to the *Spirit of Tasmania* Devonport berth delivery and the new vessels, obviously. We've invited you in particularly to talk about the impact of the delay on your members, i.e. farmers and that cohort of community generally. We appreciate you appearing before the Committee.

Just to remind you that everything you say before the Committee is covered by parliamentary privilege. That may not extend beyond the hearing. If there's anything of a confidential nature you wish to share with the Committee, you could make that request. Otherwise it's all public.

Do you have any questions?

Mr CALMAN - No.

Mr GROSE - No.

CHAIR - I'll invite you both to take the statutory declaration and then if you wouldn't mind introducing yourselves and then speaking to your submission.

Mr NATHAN CALMAN, CHIEF EXECUTIVE OFFICER, AND **Mr NEIL MURRAY GROSE**, CHIEF OPERATING OFFICER, TASFARMERS, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thank you both. Would you like to introduce yourselves?

Mr CALMAN - I'm currently the CEO of TasFarmers, which is the peak industry association for agriculture in Tasmania. We have a broad membership of a little under 2,000 members across the state, across pretty much every commodity produced in the state. Being an island state, freight links are incredibly important to agriculture in general in terms of reaching markets. That's probably where the bulk of the impact of the *Spirit* delay has flow-on effects to our members and the broader agricultural sector.

Mr GROSE - I'm the Chief Operating Officer with TasFarmers. My main role is multifaceted, but I deal with a lot of the commodities and the commodity chairs and farmers directly, one-on-one. Through our committee and council structure we have a lot of involvement with farmers.

Part of that is price-setting, but a lot of that is also policy-setting, so determining policies and strategies to grow industry. We receive a lot of direct, one-on-one feedback from farmers about their confidence in Tasmania and the industry as a whole. We also receive a lot of very direct feedback around what impacts on their confidence to make financial decisions and investment decisions, not just for their farms but also for their industries.

CHAIR - Okay, so that said, what are you hearing in relation to this matter?

Mr CALMAN - At a very high level, the new *Spirits* have been coming for some time, and with them was that broader industry belief that they would provide a 40 per cent increase

to freight-carrying capacity. Freight, as is common knowledge, is probably the Achilles heel of just about every industry that's trying to operate within the State.

A little bit on the TT-Line vessels - they specifically provide freight primarily for produce that needs to reach markets quickly. Normally freight travelling on those vessels would be picked on a given day to meet a night-time sailing, and then be on sale in market in Victoria, or in an onwards movement the following day. That's not to say that the vessels aren't used for moving other commodities, but particularly horticulture, berries, seafood - really high-value, fragile freight - it provides an incredibly important link to the mainland. As such, seeing that delay in capacity obviously dents producers' confidence. It also has a flow-on impact into that market competition piece, which ultimately dictates the price of freight across Bass Strait as well.

Mr GROSE - One of the key things, when talking to the average farmer, and cropping farmers in particular, is that farmers are always looking for that next crop: that next value-added crop. How do they hedge against changes in potato prices or pea availability or any of those volumes? Particularly cropping farmers - they have the best of soils, they have very expensive water resources, and they're always looking for their next best opportunity, their best access to market, and their most reliable access to market.

They look at things like, how do we get any produce we might make, in terms of leafy greens and so on, which are very time and freight dependent, they look at the issues around the *Spirit* and will decide the risk is just too great for them to diversify into different equipment, different ways of managing their farms, different water resources, different labour requirements, different mindsets around management, and so on.

For the best part, they basically stick with what they know, which is potatoes, beans, onions, carrots and those things which aren't so dependent upon the *Spirit*. At the same time, they're missing out on potential opportunities to access some of those mainland markets where - with what happened with the other leafy green producer down south not operating anymore, there's still a potential for that investment to occur. Without guaranteed and reliable access across Bass Strait, though, it gets ticked off the list pretty quickly.

CHAIR - Are you aware of any primary producers who did invest on the promise of that 40 per cent increase in freight, particularly that overnight sailing?

Mr CALMAN - Generally in the state, just off the back of irrigation investment there are always producers looking to grow investment on farm - from low-value dryland sheep production, as an example, to more high-value commodities. The greater south east will be the next big investment region, I believe, in terms of on-farm investment that flows from State and Federal Government co-investment with producers around getting water to the farm gate.

Right through that region around where the *Spirit* sails from, there has been significant investment. The augmentation in the Sassafras scheme, which is going on at the moment, is a classic example of where the natural flow-on from that will be more production within that localised region.

That, alongside the growth in the farm gate profitability every year - I believe we're in the mid-\$2 billions, from the low \$1 billions a decade ago - for us, is a pretty good high-level

macro view of the fact that the farm gate value is growing - that is into, primarily, goods that do need to ship quickly to reach the markets that are ultimately paying for them.

CHAIR - With the delay of at least two years, effectively, from what was anticipated, those who have made investments, is the return on investment potential delay a serious issue you've heard about for farmers? Do they not go forward with a great deal of confidence - based on some of the comments in your submission that there's not a lot of confidence?

Mr GROSE - They don't have the confidence to invest. I mean, it'll never be cheaper than what it is now to invest, but there's always the risk that that investment won't yield a return and a reward. Farmers, naturally being conservative in terms of what they do, will just sit back and watch and wait. Given some of the opportunities that we have in our state through good soils, good water, and an opportunity to access mainland markets, that's very disappointing. They just won't invest until that thing is up and running and showing its worth.

CHAIR - You believe they've held back until they can see it for real?

Mr GROSE - I don't think there's any doubt about that, and you cannot blame them for that.

Mr WILLIE - Some of them would have invested in the lead-up to October 2024.

Mr CALMAN - There was probably the classic example, I think, over the peak summer period last year, which is sort of when you have stone fruits, cherries, all of those really high-value crops where, where we were almost holding crisis meetings in Devonport with producers and all of the shipping lines because other freight carriers had held off putting their vessels into dry dock, knowing that the new *Spirit* vessels would be up and running. When the new *Spirit* vessels weren't up and running, they actually couldn't get further extensions on their vessels needing to go into maintenance, which basically occurred at the worst possible time for those vessels going into dry dock. There were producers, at that point, where they were trying to make the informed decision about whether it was worth harvesting high-value crops, knowing that there may not be room on the boat that evening, and all of the costs that that incurred in harvesting and getting production ready could then essentially be lost at the other end, if a shipment was a day late in reaching the markets in Victoria and that freight was either rejected by a supermarket chain or wasn't saleable at the market.

Mr WILLIE - We have to get through another summer. Will there be some better planning for the summer of 2025?

Mr CALMAN - I think so. Likewise, we know 12 months out that that will be the scenario, so other carriers, be that SeaRoad or Strait Link, are also in a position where if they had to take a boat offline, they could choose to do it, maybe, earlier. Whereas I think we were caught last summer with the *Spirit* vessels not being brought online as a bit of a surprise at the last minute, and that gave the other carriers no option, but to put their vessels in at the last minute, because they'd planned around doing that to limit the impact on producers.

Mr GROSE - There's a bigger long-term risk to Tasmanian producers out of this where - the customers on the mainland have to have that continuity of supply, they have to have that guarantee of supply. If there is a risk that that supply won't be delivered to them, then they need to keep their supermarket shelves full. They need to be supplying to customers. So,

the risk to Tasmanian agriculture is that the two main supermarket chains and all the others look elsewhere to make sure that they have supply. There's a whole range of overseas businesses - countries, rather - looking to supply the Australian market with their produce. If we can't supply Tasmanian produce into those mainland markets, then those companies will look overseas. Once those overseas markets get in, we know from history that it's very hard for Tasmanian producers to get back into it again.

I mean, the overseas market in fruit and vegetables - particularly in vegetables - is changing. China and India and our net exporters of ready-to-eat French fry potatoes. I know potatoes is not the issue for the *Spirit of Tasmania*, but it is symptomatic of every other country in the world is trying to get what we've already got. If there is any glitch in supply, if there's any risk around us accessing those markets, then others will immediately come in. Particularly when you compound that with what's happening internationally with America, with uncertain trade and tariffs and what's going into America. Well, if it's not going to America, it's got to go somewhere else. If we can't supply that hole, then someone else will do it for us.

CHAIR - In your submission, you talk about the need for additional sailings during that peak period, if you like. In your view, did that meet the demand? People were expecting a much bigger vessel: obviously, they didn't eventuate. So, from your 'intelligence' on the ground?

Mr CALMAN - We hear on the ground that I suppose producers just scraped through, but it was probably a very nervous period for them. Conversations that I guess I've had with Government around the role of the *Spirits* is that that 40 per cent increase in freight would have played an important role in putting competition into the market, and consequently then potentially putting downward pressure on prices. Typically, the *Spirit* vessels aren't both sailing two times a day year-round, which, if they were doing, you could argue would put downward pressure on freight prices just because there would be that market competition factor, I suppose.

We definitely acknowledge that the *Spirits* need to be profitable businesses, but we also know that during COVID, they primarily moved as freight-moving vessels that didn't carry a lot of humans or their cars in and out of the state, and were profitable during that period. So, from a purely freight and producer perspective, there's probably a strong argument that, to get the market ready for those new bigger vessels, there's probably nothing actually stopping them sailing twice a day just for the movement of freight today.

Mr WILLIE - On that, the company is going to be carrying a lot more debt now, where it's still unclear on whether there's going to be an injection from the State Government. Does the industry have any concerns that if the company's carrying more debt for longer, then some of these extra sailings and options probably aren't available to it because it doesn't have capacity to subsidise that?

Mr CALMAN - It's definitely a concern, but I think any business - that will be an overhead cost that sits there year-round and the best way they can spread that to make sure that sailing costs don't increase exponentially is to try to sail as frequently as possible and spread that cost across the largest amount of either freight or passenger journeys it possibly can. Again, I think that would put downward pressure on price. There is an important balance there around making sure the market is competitive and that freight prices remain as low as possible, but also making sure that we're not creating a disincentive for the other carriers to exit the market, for example. It's a very fine balance.

From a 'what is the role of a GBE' perspective, it needs to not just have a financial lens 100 per cent of the time: it also needs to have that broader view around supporting industries in the state by keeping downward pressure on price because we know that those freight costs between the three carriers follow each other very closely, much like most markets that don't have a whole lot of competition within them.

Mr GROSE - I think one of the first rules of business is some return is better than none. If the boat's just sitting in the dock doing nothing, then there is no chance of any return, but your cost is still the same. At least if you're going backwards and forwards across that Bass Strait you're driving business, you're creating a service, and you're getting some return. It's really important from a confidence point of view, from the whole agricultural sector that the boats are operating as much as possible delivering any sort of service that we need, otherwise we continue to go backwards in terms of confidence.

CHAIR - Commercially that's an interesting decision. It'll be when there's less freight than the high peak season - it is very seasonal in Tasmania, obviously - that if they were to keep that going to try to put the downward pressure on, then there's a running cost and then the cost - so it's hard to know. That's not a question for you to answer: that's for TT-Line to consider, obviously. It'd be interesting for us to ask them about that.

Also, I'm aware that there have been negotiations. In fact, in the media today, TasPorts has just renegotiated the port charges for Strait Link, which is good news in itself because that's been an ongoing fight, but that's a private company, as is SeaRoad in Devonport. So, if they took the approach that you're suggesting, could there be claims of anti-competitive behaviour?

Mr CALMAN - I think that argument could always exist, but then you look through the purely public lens, like I say, around what is the role of a GBE, and if we have a ship that's choosing not to sail because it doesn't make financial sense, for example, it's that real trade-off at the moment.

The other thing that I probably missed before was that we were constantly hearing from members that basically the way extra sailings would be added is that all the existing sailings or up to you know maybe 90 to 95 per cent of the capacity would need to be booked before another sailing could be floated. Typically, the freight and high-load movements like caravans and campervans would book out very quickly, but then again, we would be waiting and waiting for the rest of that sailing to fill up with normal cars before another sailing could be added. From a confidence perspective that often meant that if you were to look at when you could get your next load of freight booked onto a boat, you didn't have that visibility three weeks out, four weeks out, because typically it was very last minute when a sailing was full enough to justify another.

CHAIR - We heard similar evidence in some respects from the previous witness who runs a caravan park and relies on caravans and campervans coming across on the *Spirit* in which there is limited capacity in the current vessels. Even if you fully subscribe with those vehicles, what you're telling the Committee is that the full vessel would need to be booked before they consider another sailing, despite this demand for one or maybe two separate parts of the freight task, if you like.

PUBLIC

Mr CALMAN - Yes. The other thing that we heard as well was that for sensitive freight, the demand is really strong for the night-time sailing because the material being transported will almost always be picked during daylight hours and needs to make the boat that night.

One suggestion that we did put to Government was around additional day sailings that were bookable into the future. Don't just put a sailing on when the current sailing is full in a given week, but three months into the future, commit that there will be an extra two to three sailings a week, with particularly one on a Sunday, which is typically a day that people might be willing to get on the boat for a day sailing with caravans and motorhomes, just to take the pressure off the night-time slots for sensitive freight either coming or going from the state.

CHAIR - That's changing passenger behaviour a bit, isn't it?

Mr CALMAN - It is a little bit, yes.

CHAIR - Most people don't necessarily want to sit all day in a boat. I'm not going to be one of the people doing that, either - but for some, they'd rather just get there, have something to eat and go to bed.

Mr CALMAN - Yes.

Mr GROSE - That's it. I don't know if you've ever done it, but it is the most tedious way to spend a day.

CHAIR - I haven't, but my husband has.

Mr CALMAN - It's probably a unique opportunity, though, for those visitors who have caravans and motorhomes as well, in that, if you could financially incentivise them to travel on those days by not having to pay for a cabin, for example, at the other end, they already have a caravan or a motorhome that they're likely to sleep in for very low cost anyway.

It's probably more around could you do something on a day sailing to help the time go by - like have a show that you could go and watch, or something that you could do on a boat, for example. Just to try to stimulate those sailings for tourism.

CHAIR - We have another 18 months of this, at least.

Mr CALMAN - We do. Some would argue that money spent in that regard to incentivise day sailings might be better than vouchers to try to encourage people into the state at a certain time of the year.

CHAIR - You might not know this, but can caravans and campervans utilise the freight space on the vessel, or can they only use the high-vehicle space designated for them?

Mr CALMAN - It's my understanding that the freight space is constantly in competition with the high vehicles - your tall caravans and motorhomes. One of the major problems with the current vessels is that only a limited amount of that space can actually be utilised by that group. If you want to book a motorhome or a caravan or a truck on the vessel, you almost need to go through a freight forwarder to get access, unless you're booking 12 months into the future and there's publicly available space. It's something we've heard anecdotally, that's for sure.

CHAIR - If you're talking about an incentivised day sailing where there was a commitment not to fill it with freight - the overnight freight for the seasonal produce getting to the morning market - I'm not sure of the economics of that, but it's an interesting thought. Have you put that to anyone at all, or not?

Mr CALMAN - Yes. We've been attending some roundtables with the minister and Premier around tourism and the agricultural sector around the TT-Line, and they're the sorts of things that we're talking about because we don't want - most people think of the TT-Line vessel as being basically the means of promoting the tourism sector in the space, but its freight-carrying capacity for agriculture is just as important, if not more important in many regards. The delay is definitely a challenge.

CHAIR - What was the response to those discussions? You've put it forward in these meetings. Have you had any serious consideration? We've just had the Premier come out yesterday, I think, with the \$100 vouchers for people to have holidays or spend in the State. That's one thing you can do to support the tourism sector broadly, but that's a broad thing for the winter season type of thing, this is a more specific thing. Did you get any feedback?

Mr CALMAN - It's always that these sorts of things will be considered but never any concrete acceptance that it's something that they're going to do. Like, we haven't heard an announcement about how could we sweat the current assets to try to maximise the benefit for producers and put downward pressure on freight. At some point, when those new vessels do come online, it will create that natural shock in the market anyway of there being an incremental 40 per cent increase in freight capacity on the new vessel, so why wouldn't we do it now or work up to it over the next 18 months so that there isn't that natural shock in the market?

CHAIR - Is TT-Line at those roundtable discussions?

Mr CALMAN - No, it's been industry representatives from tourism and agriculture.

CHAIR - Because TT-Line is a standalone company - they're a state-owned company - have you reached out to TT-Line directly with these ideas because they could do it without a ministerial directive, potentially.

Mr CALMAN - We haven't, but they could, yes.

CHAIR - Maybe it's worth reaching out directly.

Mr WILLIE - Communication has been a big issue all the way through this whole saga. What was the communication from Government like in the lead-up to October 2024? This Committee has heard that they were looking at, potentially, using the new ships from berth 1 at half capacity, there was talk of a round-the-world loading, were they communicating that to you in the lead-up to October 2024 as an industry?

Mr CALMAN - I wouldn't say very broadly, no. A lot of the information that you typically receive is through media releases and things of that nature. You then raise concern and that's normally when you would get a hearing to, I guess, discuss concerns and pathways forward through things like those roundtables. But, no, not directly, I wouldn't say.

PUBLIC

Mr WILLIE - I think the Premier found out in April 2024 that it wasn't going to be available for service. When did the industry find out?

Mr CALMAN - I would imagine when the media releases were coming out or it was in the paper.

Mr WILLIE - In October [2024]?

Mr CALMAN - Yes.

Mr WILLIE - Okay.

Mr CALMAN - Yes. Probably the crisis stage was really that mid-November period, I would say, when producers were talking to their freight forwarders about how they were going to actually access the mainland through that peak period when, I think, it was one of the SeaRoad vessels that was on lease had a drop-dead date of having to be in Singapore for dry dock. Basically, it had been left to that last minute so that it could go there on its way home after the new vessels were off the ground and running basically.

Mr WILLIE - Have you had communication from some of your members that they were making investments in that period in the lead-up to October 2024? You talked about from berry fruits and things like that.

Mr CALMAN - Yes, from an investment perspective, a farmer's investing in their crop year-round. If you look at cherries, for example -

CHAIR - You only have to drive down the Midland Highway to see that.

Mr CALMAN - they're investing in planting new trees, irrigating those trees, looking after them. The final big investment is the harvest itself. That was where several producers, until those roundtables were held, were almost of the opinion that it may not be worth the economic risk of me actually investing in the harvest if I can't be guaranteed of a movement across Bass Strait on the night that I need it.

CHAIR - Did you hear from any of those growers that that was the case - where they had fruit on the trees or produce in the ground that couldn't go to market or they had to dump it?

Mr CALMAN - Not specifically. There was a lot of concern that that would be the case. The roundtables that we'd held in Devonport in that period basically brought all of the shipping lines and freight forwarders together. The general feeling was, if everyone worked collaboratively together, we should be able to get through it. I believe, by and large, producers got through it.

CHAIR - Was there an impact on freight costs during that period that you're aware of or not?

Mr CALMAN - Not that I'm aware of, but I think naturally there would have been just because of changes in where those boats would then be docking. If a freight forwarder needed to put freight on one of the Burnie departing vessels - Strait Link or SeaRoad, for

PUBLIC

example - they would dock in a different location to maybe where that freight would have been delivered into Geelong. Disruption also -

CHAIR - The logistics at the other end would have been disrupted?

Mr CALMAN - Yes. That would be where most of the cost would potentially appear from.

Mr GROSE - In terms of crisis management, we probably got through it all right because we were able to cobble together through goodwill and ingenuity and a lot of hard work. The real challenge is that it was crisis management, rather than a strategic growth in our industry which we were expecting. Rather than people spending energy into growing their business, diversifying their business, taking advantage of opportunities, they were basically trying to put out bushfires as they were starting up everywhere else. It's really counterproductive to developing confidence by those who are already in Tasmania, but also from those outside looking to invest in Tasmania.

Mr WILLIE - Business needs certainty, predictability. When the Government says it's going to deliver something and it happens on the time frames, what confidence do you have in October 2026?

Mr CALMAN - You can only take people at their word, but -

CHAIR - Which hasn't been good to date.

Mr CALMAN - Sometimes reputation does start to create uncertainty. It sounds more now like the Government has taken control of the construction to give themselves confidence. That probably brings us to the bigger issue around GBE accountability, and when people say that they're going to do something, actually delivering.

Mr WILLIE - It does seem like they have every expert under the sun there now.

CHAIR - Which will add to the cost overall, of course, but the cost of not doing it is even higher.

Mr CALMAN - Absolutely.

CHAIR - Particularly when they have the *Spirit* parked in the Hobart River Derwent, it'll be a constant reminder.

You talked about farmers being naturally conservative and sitting back and waiting. We've also seen, as you described, the rollout of irrigation. We've seen investment in cherries. If you drive up to Somercotes Cherries, you can see how many new trees have gone in there in the last year or so. That's just one area - they're all around the state.

With the loss of the leafy green vegetables from the state and the potential for reinstating that, with a reliable freight service, have any of your members told you that they are holding back, or that they did invest and now wish they hadn't? Are they just not telling you, because of their conservative nature, or being very conservative and holding back?

Mr GROSE - Yes, you know what farmers are like, particularly on the north-west coast, a lot are looking at the dirt and kicking it while not saying what they think. They're just holding back. There is an enormous amount of potential, and farmers all recognise that. They all recognise where the potential goes, but they're just not prepared to take that risk.

You talk about irrigation - the risk was very low in terms of investment because you could see what you get and you knew the track record of Tasmanian irrigation for delivering irrigation schemes and that water coming out of the ground. You only have to look at the Midlands, where you drive through Ross, which used to be all dry sheep country, and now they're growing potatoes and onions and all sorts of value-added crops there. That was never, ever conceivable for that dry part of Tasmania.

Farmers will make the investment, but only when they're absolutely confident that they can actually sell their stuff. They'll just sit back and wait, which is a shame, because others will fill the void, particularly with those leafy greens. With our contacts in AUSVEG, which is the national body for vegies and leafy greens, there's a huge market in that. It's enormous, and in ways that people don't conceive. One of our colleagues on the mainland who's in leafy greens just supplies the fast-food restaurants. It is an enormous amount of lettuce that goes into McDonald's for Big Macs. You just don't think about that supply chain. That's a supply chain we're missing out on because we don't have that confidence in the supply chain.

Mr CALMAN - Further to that, something the new Federal Government has spoken about, which we're pleased about, is having a national food security plan. I believe we're getting to that tipping point in Australia, with growing population but significantly changing climate, that Tasmania's need to be the food bowl for the nation will only grow and grow and grow. For that to happen, things like moving goods across Bass Strait is a problem we really need to start thinking about, particularly for sensitive fresh freight.

As the typical food bowls through the Murray-Darling region, for example, slowly dry up and change, those irrigation schemes in Tasmania, and any future ones that that we look to build - I think \$10 billion - it could be more than that, potentially, because of our climate. It puts us in a huge position of strength for the future, but we need to think about all the other enabling things like how you actually get goods to market in a timely and affordable way. Consumers up and down the East Coast will only pay so much before the economics of bringing lettuce from China become more attractive just because your lettuce is a dollar cheaper, for example.

Mr GROSE - Nathan touched on it before - yes, we have this situation, but how do we prevent that from happening in the future? How do we restructure our state-owned companies so that this can't happen again?

Our opportunities here in Tasmania are massive. One of our competing districts for potatoes is around the Ballarat area. Growing potatoes is an 18-week cycle. They pretty much ran out of water after 12 weeks in Ballarat. We have continuity of water: every single cropping area in Tasmania is the beneficiary of an irrigation scheme - but we need to have the confidence that our access to markets isn't going to have this sort of challenge again. That's probably for another Committee, because there's another one on GBEs and SOC's and how that works.

From people looking to invest in Tasmania from outside of Tasmania and within Tasmania, you need to have that confidence that we're not going to end up in this place again.

PUBLIC

How we do that I don't know, but we need to learn a lot of lessons from that. This process is part of that, 'dissecting the beast', but what do we learn from that, and how do we improve upon it?

CHAIR - Clearly this is bigger than TT-Line, because they're a ferry service. We heard earlier on in the inquiry about the less-than-helpful interaction between TasPorts and TT-Line. TasPorts are the port operator. We've seen significant underinvestment in Berth 4 in Burnie, where Strait Link pulls up. In terms of ensuring that, not only for the new *Spirits* but for all freight, which is obviously a big impact on all primary producers - what do you think needs to happen there?

They'll put prices up for your berthing charges, your port charges, but ultimately we've got to invest in the ports, and those costs will be passed through.

Mr GROSE - It just impacts on our competitiveness in national markets. I mean, these are not fixed markets. Farmers are price-takers, not price-setters. If prices go up, they can't just increase the price of what their lettuce is or their cherries or their potatoes. They have to find a way to minimise their costs on-farm, or they go and do something else.

The imperative is upon our state-owned companies to deliver a service, but deliver a high-quality service that has continual investment. The private sector would never let their key assets get to a point where they need to invest enormous amounts of money and put their actual viability at risk. Yet that's one of the challenges we see with some of our state-owned companies, is that focus seems to be on other areas, yet the key infrastructure is allowed to deteriorate.

It's not my area of expertise, but the wharf in Hobart is probably one of those as well. I've had quite a bit to do with Bell Bay over the past few years. You look at Bell Bay, where there's probably opportunities to do things but it hasn't happened yet. Private enterprise, privately owned structures, would grab hold of that and run with it, because there'll be an opportunity there and if they didn't grab it, someone else would.

CHAIR - That port is underutilised, from the evidence I've heard on another Committee. You've also got Garden Island, which makes it difficult for big ships to come into Bell Bay, as I understand it.

Mr GROSE - Yes, there is a bit of a dog leg there, which is one of the more hazardous pilot -

CHAIR - Navigation tasks, yes.

Mr GROSE - If you don't zig instead of zagging, you end up on the bank.

CHAIR - It's not ideal.

Mr GROSE - Good fix, that.

CHAIR - It's interesting seeing from your perspective what the key things here are. It underpins all of this.

Mr CALMAN - There has been a lot of discussion about GBE reform and mergers and different things like that. I don't necessarily know that they're a solution, but having a transport master plan for the next 50 years for the state that requires GBEs to work together around developing and delivering the best price transport network through the state could still have merit, so that you have less ports that are better maintained, more adaptable, and lower price, that are connected by not just road but rail links that go to railheads around the state to reduce freight loads on the road network. Thinking big picture around how to do things smarter is maybe the solution. We don't necessarily need to merge all those organisations together to make that happen. Government should be able to give a direction that these organisations need to work together to deliver best-price outcomes for the state.

Mr GROSE - Those master plan ideas are at that high-level strategic area. Where do we want Tasmania to be in 10 years? What are we producing? What are we exporting? Okay, how do we grow that? How do we access market? What needs to happen to make sure that those things happen smoothly? It's not complicated, but it's worth - it really needs to be done.

CHAIR - When it became apparent, or was announced that the berth in Devonport wasn't going to be - hadn't really even started, it certainly was going to be some time before the new vessel could berth there, was any financial support provided to prime producers during that period? We know there was some financial support provided to the tourism and hospitality sectors.

Mr CALMAN - Not that I'm aware of.

Mr GROSE - No.

CHAIR - Did the industry ask for or seek any assistance?

Mr CALMAN - I think the closest we came to that was again talking about the need for additional sailings and trying to maximise the benefit from the vessels that we already have. I think we survived that potential crisis, but it was more driven by producers and freight forwarders working together than any Government-led process.

Mr GROSE - It was more about opening up opportunity to market rather than just 'Here is some money to compensate you for not being able to do something'. It was 'We really need you to do something so we can still access it. We're not asking for a handout, we just want a hand up to get our stuff across Bass Strait'. That was through what Nathan was saying earlier around increased sailings and so on.

CHAIR - Think a bit differently, yes.

Mr CALMAN - I think there was a lot of discussion about the cost of shipping across Bass Strait generally, but that that was a federal issue with freight equalisation, which, I don't know - it never sits well with primary producers who just feel like that's just duck shoving as opposed to actually providing genuine support during a time of need.

Mr GROSE - There is that structural challenge around the two ports either side of Bass Strait, which are highly regulated and expensive ports to travel through, irrespective of who's doing the shipping backwards and forwards. You cover 400 kilometres of water to go through two very expensive ports.

Mr WILLIE - Air freight is obviously part of the mix and there's growth in that space. I'm interested in what TT-Line's role is in helping to keep the price down - 40 per cent increase with the new ships. Does that help in the air freight space at all or is it completely separated?

Mr CALMAN - The business case for air freight is normally super sensitive freight that's really time sensitive to meet international markets.

A member - High value.

Mr CALMAN - What we'd hate to see with the new vessels, at least initially because we haven't got the market ready for 40 per cent more freight-carrying capacity, is that those vessels sail even less frequently than the current vessels do, putting no downward pressure on price through competition. I think that would be the absolute worst-case scenario from where we are at the moment.

Mr WILLIE - You need some of your members to invest so that there is that extra - yes.

Mr CALMAN - Yes. From a producer's perspective, they're probably saying, 'I can't see a reason why those vessels couldn't be sailing twice a day every day just to put competition in the market and drive down prices', acknowledging that the private players in that market probably won't like that very much because competition makes them less profitable.

CHAIR - They're probably facing increasing costs themselves.

Mr CALMAN - Yes.

Mr GROSE - You talk about air freight. Air freight is working very hard to become more competitive. You look at the investment in airports, and Hobart and Launceston making those airstrips longer and stronger so they can be competitive in that freight market. Yes, it's very time-sensitive, but it is still putting more competition in the market. At some stage they might catch up, or they might not.

CHAIR - Is there anything else you wanted to add that you haven't mentioned?

Mr GROSE - The only thing is to continually reinforce that yes, we're in a bad situation, but one should never waste a good crisis.

CHAIR - Look for the opportunity in it.

Mr GROSE - Yes, there is opportunity in it to learn and invest, and invest in the right ways, and to make sure that we don't end up in this situation again.

Mr CALMAN - It's probably no secret that prior to the state election last year, we'd been very vocal about the need for GBE and state-owned company reform. At that point in time, there was a lot of discussion around reviewing charters to try to change expectations. This probably brought to the fore the fact that this was a genuine issue, and that reform can't happen quickly enough, really.

PUBLIC

Those organisations are there to support the general economic fabric of the state, not just to provide an income for Treasury. We need a way of measuring that that is occurring, but it's super-important that it occurs.

CHAIR - Okay. Thanks very much for your time.

WITNESSES - Thank you.

The witnesses withdrew.

The Committee suspended from 11:34 am to 1:13 pm.

PUBLIC

CHAIR - Welcome Amy and Dan for appearing before the Public Accounts Committee looking into the delayed *Spirit of Tasmania* vessels and the missing berth at Devonport. We particularly want to talk to you about the impact on the tourism and hospitality sector from your perspective and any financial support that's been given by the Government to assist some of the businesses that were expecting a much bigger uptick to support any investment they've done.

This is a public hearing. It's being broadcast. It will be transcribed and form part of our public record. Everything you say before the Committee is covered by parliamentary privilege, but that may not extend beyond the hearing. If there's anything of a confidential nature you wish to share with the Committee, you could make that request: otherwise it's all public. Are you right to proceed?

I'll get you both to do the statutory declaration and after you've done that, I'll get you to introduce yourselves. I appreciate your submission. The Committee's received and read that and we'll probably have questions from that, but you're quite welcome to make some opening comments.

Ms AMY HILLS, CHIEF EXECUTIVE OFFICER, AND **Mr DAN LEESONG**, BOARD DIRECTOR AND OUTGOING CHAIR, TOURISM INDUSTRY COUNCIL TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

Ms HILLS - I'll start off with a few words and take the submission as read, but we appreciate the opportunity to come here today to speak to the submission as we've provided to you. Obviously, the events of the past 18 months have been incredibly challenging and frustrating, for our industry in particular. Throughout we, as an industry body, have tried to take a solutions-focused way of trying to work through the issue, particularly in relation to the policy levers that are at the state's disposal, to realise some of the interstate visitation that was not able to be delivered through the timely arrival of the *Spirits*. That's what you'll see in the submission, really looking at how we achieve some of that increased visitation that we expected that was not delivered, so that lost opportunity piece.

We certainly welcome the testimony that was given on Friday about some more clarity about when the Government expects the new ships to be in operation. That has now given us some certainty to work towards but, of course, I would encourage open and transparent reporting from the Government because, again, industry is obviously preparing for another deadline as well.

You'll read that the submission is in three parts. One is around driving demand, looking at the elements that really turn the dial for us in terms of driving visitation from interstate audiences to Tassie. The second one is about preparedness. That's something the Tourism Industry Council, quite before the issue of the delay was known, was concerned about ensuring that, as a destination we are prepared - so, ensuring that we take this time to do everything possible to be as prepared for that increased visitation as possible. Then third, about aligning the work of the TT-Line into the broader strategic environment of our 2030 Visitor Economy Strategy.

Lastly, I will say that since we wrote the submission, there have been some good movements in a couple of the areas, particularly Tourism Tasmania is working away on the broader access strategy and incorporating the work of TT-Line into that, which we believe is

really important. The Government has also released the caravan and motorhome market analysis report, which is hopefully informing operators and local councils out there around areas where they need to improve their infrastructure.

Anecdotally, and to date, there is more information flowing between the parties between Tourism Tasmania, industry, and TT-Line around activities that are happening and trying to get them more coordinated for industry.

I am looking forward to talking through the submission in a little bit more detail.

CHAIR - Thanks, Amy.

As a key stakeholder in this, when did you first become aware that the *Spirit* arrival was going to be delayed because of the berth?

Ms HILLS - I was becoming aware of it at the same time that everyone else was becoming aware of it. Essentially, as things were playing out through parliament, I was hearing that at the same time as everyone else.

CHAIR - There was no indication to you that this was going to happen?

Ms HILLS - No, I think very much last year as an industry, we were very focused on winter. We'd had Dark Mofo have a hiatus, we're in a cost-of-living crisis, so as an industry we were really focused on actually getting through the winter. In hindsight, there'd be some feeling that the August deadline was fast approaching and we hadn't heard a lot about it, but it was an assumption that it was happening, on my behalf, even if it was somewhat delayed, in terms of all projects experience delays of a few months, but I never understood the extremity or the extreme nature of the delay.

CHAIR - Did any of your members from the north-west raise concerns? When I drive across the bridge, I can't actually see it because the railing's there and I do prefer to watch the road for merging traffic and things like that. You can't easily see it from the bridge as you drive across, but there'd be tourism operators in and around East Devonport and Devonport who would be looking at the site. Did anyone raise concerns, or did they just assume the Government was doing what they said they'd do?

Mr LEESONG - I think the reality is, it was just an assumption that the project is underway. The specifics of how a berth looks or doesn't look - an industry operator wouldn't have a clue. Most people would probably not even understand the level of infrastructure needed to bring a project on, so it went through to the keeper. There was no hint, at least from my knowledge in the discussions I had as an industry participant and others talking to me, that there were significant headwinds afoot.

CHAIR - Would you say it's unrealistic that the average member of the public, or even another member of parliament, should have known that this was happening?

Mr LEESONG - No, I don't think that's reasonable. I think in any infrastructure-type project, when you have companies working on things, a lot happens that you don't see. I don't think anyone would have reasonably picked up on the fact that a berth was being built or not being built.

PUBLIC

CHAIR - So, it was really a matter for the minister responsible to keep an eye on that?

Mr LEESONG - Ultimately, yes, as the shareholder minister, for sure.

Mr WILLIE - Communication was an issue, too. You had the company saying that they were able to put the ship in service, while the rest of the port was being developed. You had other things being said like 'an around-the-world loading solution,' then there was talk about Berth 3 - Berth 1 sorry.

Ms HILLS - I think it was confused messaging for quite a few months. Obviously, as you will recall, over the events of that last year, it was sort of evolving, particularly through parliament, as it happened. We certainly had a lot of conversations about trying to get a better and more accurate picture of what was going on because we understood it was also our duty to try to communicate with our industry and give them as much certainty as possible, but it was really difficult.

CHAIR - You found that there wasn't a lot of communication with you as the lead body here?

Mr LEESONG - No, there wasn't any communication that the project wasn't on track until it was public. We weren't aware in advance. When it did become public, rather than us sort of throw our hands up, it was immediately to the solutions of 'what do we as an industry reasonably do to limit the impact'.

CHAIR - From that point, then, when you became aware - and you've talked about some of the opportunities for supporting your submission throughout that - how was the communication, most likely with the Premier as Minister for Tourism? How did it work there? Can you step us through what happened then?

Mr LEESONG - Amy was dealing with that day-to-day, but from an industry perspective, the communication was very thorough from that point. There was regular communication. There weren't a lot of answers - that's a separate issue - but in terms of the frequency of communication and being dealt in, I believe we were dealt in at the highest level pretty frequently.

Ms HILLS - Sorry, is this from the time when we knew that the delay was happening?

CHAIR - Yes.

Ms HILLS - Yes, from that time. I think the challenging part was leading up to understanding what the real picture was, from that time, in terms of taking elements of the support package going forward, we've had a working group established with State Growth that has T-Tas, the four regional tourism organisations, myself, and the THA around the table. We meet regularly to talk about the progress of the different elements and how they're tracking. That has been working well.

CHAIR - In terms of the opportunities for support that you proposed there's been some action, and you named a couple of them. Can you talk us through if some of them have been rejected or if some of them are still being considered? To give us a bit more colour to the comments you've made in here.

Ms HILLS - Yes, certainly. In the first section we focused on the work of Tourism Tasmania and Events Tasmania and Business Events Tasmania. Really that argument has been put in the lens of an obviously constrained fiscal environment as well, but Tourism Tasmania did do a lot of hard work to really put their shoulder to the metal around an intrastate campaign, really highlighting the experiences and products that are around for Tasmanians. They were also able to look at how they use their resourcing to work to get the media that they have out in market working even harder for us, so I think Tourism Tasmania has done a really good job in that regard.

What the Government did take on was additional money for events, which we think is incredibly important because it does give a really important reason for people to come to Tasmania, especially in the winter and the shoulder seasons. There's been some supportive events right across the state in that regard, so that has been taken up as well. There's also been a commitment to working with aviation partners as well and there's been some announcements about that.

That first element has been taken up in the main. We really have it there, though, as we continue to go through budgetary processes and highlight that other states are investing very heavily in destination marketing and it's becoming incredibly competitive and we shouldn't become complacent with that. In fact, Tourism Tasmania just updated us the other day that the stats that I have in there about one in eight Tasmanians being employed by the visitor economy, has moved to one in six, apparently. It really is quite extraordinary around how dependent we are on the visitor economy.

The second piece around preparedness, there has been some movement there. Again, I think Tourism Tasmania has done some good work releasing their market overview of the caravan and motorhome market and, obviously, the Government has released its preparedness grants. The point that I make in this section, however, is I still think that there's room for an overarching strategic view of how to prepare the destination for the introduction of the *Spirits*, so it's taking more of a fulsome destinational view.

Obviously, we can talk about parks, we can talk about local Government, but this is how is it all working together. From the time the visitor jumps on the *Spirit*, what messaging are they getting about whether to turn right, turn left to disperse them around the state? How does the far north-west really benefit more from when they're coming on the *Spirit* and then how do we look at the federal Government and local Government infrastructure requirements that are coming in? That is a big point there.

Then, as I said, the access strategy is something we've since talked with Tourism Tasmania about and they're incorporating TT-Line into that, which is a work in progress now, which I think will be a really positive thing.

Finally, ensuring that TT-Line is stitched in as closely as possible to what we think is a really great model for the 2030 visitor economy, which is industry and Government working together, and ensuring that the board and TT-Line are really closely aligned with the objectives of that strategy as well.

Have I missed anything?

Mr LEESONG - No, I think that's good.

CHAIR - In terms of some of your members, we met with a stakeholder earlier today who spent significant amount of money on upgrading his caravan park near where the vessels will berth and the current ones do. Have you heard from many of your members or those in the sector who are in the north-west, in particular, who have invested in the anticipation and what that's meant for them?

Ms HILLS - I have and I know of that story. I think you'll find operators who are particularly servicing that market where there was going to be that increased growth earlier in the motorhome and caravan market where they had planned for that. It's been incredibly frustrating for them, but, generally, the tourism businesses in general plan a little while out, longer than perhaps what Government does, so they are looking at the forecasted demand and what they're told in the environment in that regard. So I think, quite apart from the capital infrastructure upgrades, there were also a lot of businesses that had planned, from an operations perspective, for that demand. They were shocked and, obviously, it had an impact on their business.

CHAIR - Those who made investments but couldn't realise them or get any return on that investment, was there support available for those businesses and how did that go if there was?

Ms HILLS - I'm trying to cast my mind back. I think from an industry body's perspective we were focusing on trying to realise increased demand to bring some of those visitors here so they could recoup some of those visitors through the process, essentially. As to whether there was direct financial support, I can't recall. A lot of us were connecting people through to Business Tasmania to look at their individual circumstances and those sorts of things.

CHAIR - Have you heard of anyone who's been put into financial distress because of this in their business?

Ms HILLS - Not that I can recall directly. An individual circumstance has not been raised to me. It's not to say that it hasn't happened, but it hasn't been raised to me.

Mr WILLIE - In terms of the October 2026 date - it's not a new announcement, the Government said that would be best-case -

Ms HILLS - Optimistic, yes.

Mr WILLIE - In terms of your members having trust in that date, is there any hesitation in scaling up, given what's been experienced? Is that a risk to the industry, where people wait until it's in service and then they might invest in its upscale?

Mr LEESONG - One of the unique and dynamic things about hospitality and tourism is, because of the nature of being so competitive, they're able to adapt pretty quickly. My take, as an operator myself, I'm relying on that date. I believe that date is a reasonable date. If it's a month or two either way, we would adjust our daily operations as a result. Those who are more directly impacted, I assume, the same. Unless you're building new infrastructure, the rest of it can be turned on and off more readily.

CHAIR - Do you think the industry is in a position where they can ramp up? In terms of people, like employees to deliver the services, some of them were ramping up and probably

have to put those people off. We know that Mr Imlach needed to, sadly. Are there enough people around now? Have they lost faith? Are we going to have enough people to deliver the services when the new *Spirits* arrive?

Ms HILLS - That's the work that we are, and need to be, doing right now. A piece of work we're doing at the industry council is doing an educational online module for operators to take them through what the market is - who are the customers and what do they want? Therefore, what is the product and service that you can provide, and also parking and other elements that particular market looks at. Of course, it's not just the motorhome and caravan, it's the self-drive market as well.

As an industry, we're taking some responsibility to help upskill the industry to be ready exactly for that. Also, we're looking at how as much infrastructure as possible can be ready so we're not having any pinch points, which we know can happen when you get a sudden increase in visitation. Again, we wouldn't expect that to be immediate necessarily. You'll have the summer periods where there are those wait times, especially at the moment, and for caravan and motorhomes during summer, but we expect that to be somewhat extended.

Mr WILLIE - On debt, and the company having to carry debt probably over a longer period of time, it's probably likely they might need a cash injection. Does the industry have any concerns about that burden that's being placed on the company and their flexibility to do things like additional sailings that might not be as profitable into the future?

Mr LEESONG - Going back a step, leaving aside this particular issue, the industry has, and continues to have, great faith in it being a really well-run business. The way it is funded effectively, the replacement of its vessels itself, it's been very corporate in its approach, run by professional people, so from a historical standpoint, there haven't been issues.

We can all argue about whether there should be more communication with Tourism Tasmania and all those elements, and obviously there are areas of improvement, but fundamentally, it's been a very, very good company - very good for the industry and very good for the state.

With that sort of overlay - I haven't seen their balance sheet. The result of all this, I'm sure it probably wouldn't be looking fantastic, but if it needed cash, I'd have faith that the board and the management team would be well equipped to do the right thing and make the most of that. It's not an ideal situation, but in my view -

Mr WILLIE - It will carry an additional burden from all the cost blowouts and things not going to plan. That may limit its capacity in the future.

Mr LEESONG - There's no doubt it has a cost.

Mr WILLIE - The question is whether you had concern regarding that.

Mr LEESONG - It would become more obvious when we actually start seeing what the demand is. Going back in time, every time that *Spirit* has increased its capacity, we've had a really step-changing surge in demand, and we believe this will be exactly that case again. It'll be hugely exciting once this stuff happens. For us, it's about focusing on what the opportunities are. With the increased capacity, it means that the day sailings, probably initially, won't be

super needed. There might still be pinch points where they are, and we regularly have communications with TT-Line and other stakeholders saying that we should probably take more risk on those day sailings and be willing to cop a loss or a break-even situation to bring more people into the state, because obviously the flow-on effect is more than just the day sailing costs. That is an area of discussion internally at times. Sometimes we'd like to see more capacity, and other times - for whatever reason, operationally or strategically - that doesn't always happen.

CHAIR - Do you think their increased debt situation, and the challenge of dealing with that, could see them want to increase fares, and could that have a detrimental effect?

Mr LEESONG - They operate as a commercial company, so if they have increased burden, they're going to have to deal with it. It is a price competitive market and, in our view, it would be more about getting more bums on the seats rather than increasing prices.

CHAIR - What's competitive about that? Which other boat can you sit on a seat going across Bass Strait?

Mr LEESONG - People will readily switch to air, or to other destinations.

Ms HILLS - Yes, they could change to air. Obviously, being an island state, there is that price sensitivity inherently built in to getting here. The feeling would be that that's always got attention on that, to ensure that they're getting as many people across as possible, essentially.

CHAIR - You can't put a motorhome on a plane, though.

Mr LEESONG - They just go somewhere else. They go to New South Wales. It's that sort of level of -

CHAIR - There is a point where they wouldn't want to get above.

Mr LEESONG - We probably are already there. There are a lot of people who make decisions at the moment because they can't get onto the *Spirits*, but also price as well, where they go elsewhere.

Mr WILLIE - Price and time.

CHAIR - In one of your recommendations, you said, 'Regular sharing of trends, starting schedules and occupancy (if appropriate) from TT-Line with Tourism Tasmania and industry.' Has that been a problem in the past, getting that sort of data?

Ms HILLS - We probably just haven't had that structured approach of having regular insight sharing between the different groups. We've actually almost remedied that at the moment, in terms of sharing between us how they're going with their demand, how that's looking, is it the same as how the rest of the industry is looking. We have been having those conversations. I've only been here for coming on two years now, but I would always advocate for more openness from every stakeholder in the visitor economy, and I believe we've started to see that now.

CHAIR - You said you've started to see - is that the more structured communication and sharing of information?

Ms HILLS - Exactly, yes.

Mr LEESONG - Most of that is the communication between Government-owned agencies - Tourism Tasmania and TT-Line, really. That, as I understand, is functioning more openly than it has been previously.

Ms HILLS - Correct.

CHAIR - As a result of this?

Mr LEESONG - Yes, I believe so.

CHAIR - Right. Make the most of a crisis.

Ms THOMAS - Thank you for your submission. I noticed, as you mentioned in your opening, that it is very solutions-focused, so I commend you for that. Some of the opportunities that you've outlined for support, I understand, perhaps have occurred. I'm wondering if you can talk a bit about that. What's happened so far? In terms of the ideas that you've put forward, what is outstanding? What other key things would you like to see the Government take up? Have you put these suggestions to the Government in any formal way outside of this submission?

Ms HILLS - Because we work through the T21 structure, they're quite aware of our priorities, and a lot of these elements we've continued to argue for, for quite some time. What we have seen taken up is additional support for events and, to State Growth's credit, they've moved that program through very quickly to help fund some events that are coming up this winter, and others. We've seen that come through. The *Spirit* readiness grants are out in market now, and there are information sessions for operators and local councils to look at where they may be able to improve infrastructure, products, and experiences for development. There's also been additional funding for aviation opportunity. That's been between the Government and the players there. They've all moved along quite well.

What's still an opportunity for us - even though Tourism Tasmania has done a lot of good work in this space - is I still feel there is a missing piece around looking at the destinations' preparedness for the increased visitation, really prioritising which elements, whether it be the East Coast Drive - how are we 'triaging' and prioritising to the federal Government where we believe their investment should be? I do think there's a whole-of-economy piece that should be looked at there as well. We did have a good summer and we're certainly more optimistic about winter than what we were last year, but I feel it really is about preparing the destination now.

It's also about ensuring that, as we go along the process until October 2026, there's open, regular and transparent reporting about how the infrastructure berthing facility is being prepared. Is everything on track? Are there any challenges? Really just working together to understand that so we never have that same situation again?

Mr LEESONG - If I could add to that - in my mind, the most important thing is that once we know the timeline, which we do, it's about actually creating a market demand for it,

PUBLIC

so getting that excitement in the market rather than focusing on the negative. I know there's a lot of stuff that will play out through this process - but there was some feedback over last winter that people thought the *Spirits* had stopped sailing. People thought there were no ships, because of the public debate around it. It's so important that we, as an industry, have a clear run at launching what is still a very exciting project.

Ms THOMAS - Yes, it's an interesting point, because it's not something I consider -

CHAIR - That backs up Mr Imlach's evidence. November to December, there was just nothing. No-one came.

Ms THOMAS - There was a perception that we had ships but nowhere to park them, generally speaking.

Ms HILLS - You know how people, especially on the mainland, that don't understand the Tasmanian situation - the way they hear media reporting is different. That was something we kept at the top of our minds when talking with the market, ensuring that people knew that they could still get here.

CHAIR - Did you proactively engage with mainland tourism operators - the sector over there - Tourism Victoria, whatever it's called - and the travel agents over there, to let them know that it seems that people might be getting the wrong message here?

Mr LEESONG - TT-Line is the big marketer in this piece, along with Tourism Tasmania, because they have big budgets for being able to achieve that. That's why that 'working together' piece, on the launch in particular, is so important, because they can both collectively make major step-change if they focus energies in a similar direction.

CHAIR - This is for Estimates, I'd say.

Ms THOMAS - On the communication, you mentioned the business preparedness grants. I understand there's money available for councils and private business operators to be able to develop infrastructure to prepare for increased visitation. What do you think the comms has been like, and whose responsibility do you see that as? I know Mr Imlach wasn't aware that that program provided funding for businesses. He thought it was only for councils. What do you think the comms has been like, and whose responsibility is that to make sure tourism operators are aware of what's available and take it up?

Ms HILLS - It's a combined responsibility. I know all the regional tourism organisations, and certainly my organisation, have communicated around it. Communications is always the biggest challenge, especially when you're dealing with an industry as diverse and regionally dispersed as the visitor economy. It goes back to how those operators are receiving their information. They may not be on our distribution list, for example, and there may be some improved communications that can be done through advertising and things like that, but it's good to have that feedback. We're always happy to reach out to those operators and get them in contact about that. I've certainly had lots of people who know about them and are interested. I think we're going to have a lot of people that are putting in for them.

Mr LEESONG - I think we run the risk of having not a big enough bucket of money, to be honest.

PUBLIC

Ms THOMAS - That was going to be my next question. Do you think that \$5 million will be sufficient?

Mr LEESONG - I think that will be used up fairly quickly in this context because infrastructure is expensive. It gets chewed up pretty quickly.

CHAIR - What do you see as the key infrastructure requirements?

Ms HILLS - The sorts of things I'm thinking about in this context are, if there are parking bays or appropriate parking for operators who can service that market. Based on some of the insights that we hear about what the market is looking for - Tourism Tasmania has done that work - looking at how does your product connect with what those travellers are looking for? They may want to spend a little more time, they may like to come at specific times of day when they're coming off the ship and it's through that particular time - you see that with Anvers, for example, as they're heading off: they do an amazing breakfast trade - and things like that. It's understanding the movement of those passengers and how they're -

CHAIR - They're going the wrong way, if they're getting to Anvers.

Mr HILLS - They are, I know, Ruth. We have to do a lot more work to get them to turn the other way.

CHAIR - To turn right.

Mr HILLS - Yes, turn right.

That's what I think we can work with the ship on further, around what information is on board to make sure that the travellers are really understanding everything you can do, and turn right, as well as the other way.

CHAIR - This may not be a question for you guys: it might be more for Tourism Tasmania. When you're looking at the distribution of the spend, if you like, around the state, do you have much vision of that?

Ms HILLS - Visitor spend?

CHAIR - Yes.

Ms HILLS - Yes, really from what Tourism Tasmania feeds us through their Tasmanian Visitor Survey, we know that, yes.

CHAIR - Have you seen an impact on the north-west coast and west coast, that sector - not just the 'turn right' bit, but the first part of the 'turn left' trip. In terms of visitor spend being down, could it be claimed to be directly linked to this situation, or is that not evident in the figures?

Mr LEESONG - It's not 100 per cent evident in the figures. Over the last couple of years, there's been a general - across the whole industry and not related to TT-Line, there's been a decline in average spend.

CHAIR - The cost-of-living pressures would be playing into that.

Mr LEESONG - Yes. Particularly in the hospitality side of things. Accommodation has held in terms of room rate, but the add-ons and some of the tour attractions as well have had similar experiences. Correct me if I'm wrong, Amy, but the latest anecdotal feedback has been fairly positive for this season. It seems to have been not crisis mode.

CHAIR - The spend is stable, is that what you're saying?

Mr LEESONG - Stabilised. It was certainly on the decline, but it's stabilised.

CHAIR - Is that across the state?

Mr LEESONG - Yes.

Ms HILLS - Of course, it's all proportionate because cost of doing business is going up as well, but the most recent figures we've had from Tourism Tasmania are that the summer was very good, and I think the THA's occupancy, particularly in the north-west, showed some really strong elements for occupancy there. Hopefully, some of these things we talked about had some dividends. TT-Line tried to reduce some of the waitlists on that caravan and motorhome piece there, by adjusting their vehicle heights and things like that. Overall, the summer has been good.

CHAIR - What we heard from other witnesses - even TasFarmers talked about the freight task, it's really important to their producers, particularly for holding perishable goods, needing that night sailing. Mr Imlach told us himself that if you go on to TT-Line's site, you can't book a motorhome or caravan over 2.1 metres until the middle of August.

Mr WILLIE - That's to get out of the state.

CHAIR - That's to get out, yes, but it would be similar to come back in. Not that this is a peak time of coming in either. That said, do you think there's enough being done to try to shift that a bit, knowing that freight's really important for the bottom line of TT-Line, as well? To free up more space, or something like that?

Mr LEESONG - Again, historically, it's a really difficult one because TT-Line has the charter of maximising profit. Freight is obviously, a very important part of that and the campervan segment is still only one segment. You obviously have people bringing their own cars and there are so many considerations in that.

CHAIR - Trucks fit into that higher vehicle situation, too.

Mr LEESONG - I think it's a very delicate balance, something that needs to be watched all the time. Sometimes you get it right, sometimes you don't. To me, it would not be something that they're not considering. They're certainly very mindful of it. We all know the reason we're getting the bigger *Spirits* is because we don't have enough lane space for campervans and caravans.

CHAIR - One of the suggestions that the TasFarmers representatives made was that, acknowledging they're unlikely to put a new ship on a double sailing, for example, a daytime

sailing, if you haven't fully booked the one that's sitting there ready to go which means you might be fully subscribed for higher vehicles, but there's still space in the freight or still space in the regular vehicle areas, for example. They talked about incentivising TT-Line - the Government incentivising TT-Line to promote daytime sailings and use more of the freight spaces - that is preferred on the night route to make more space for campervans and higher vehicles and stuff like that.

Mr LEESONG - It's certainly an option. I'm sure that TT-Line, being the experts in this, would know much more about this than us, about the different yield thresholds and all the bits and bobs.

CHAIR - And whether it would be commercial or not.

Mr LEESONG - We've always said that the more day sailings the better, but we also acknowledge that often day sailings will run not at capacity, so there is a cost associated with that.

CHAIR - As they said, it's not the most exciting way to spend a day.

Mr LEESONG - Although, with the new ship you'll be amazed. People will come.

CHAIR - The new ship will be. There probably won't be day sailing because they're big enough to just do the night.

Mr WILLIE - It will be here in July for a final fit-out for six to eight weeks on the wharf, so we might be able to go in and have a look.

Ms HILLS - I suspect it will be a good opportunity to have a look.

CHAIR - We'll book a site visit.

Mr LEESONG - Also, don't underestimate the impact and the interest that that sort of visual representation will start to present. People will start talking and people will be wanting to be on it. I'm absolutely convinced it'll be a huge success once it actually gets going.

CHAIR - Once the embarrassment's past that we don't have a berth for it.

Mr LEESONG - Yes.

Mr WILLIE - Are there any good proposals from the industry? You hear different things, but you could take it to Sydney and park it in Sydney Harbour as a billboard and advertising, that sort of stuff.

Mr LEESONG - There are all sorts of things you could do with it. They all cost.

Ms HILLS - Throughout the debate we've been mindful around the cost for Government and those sorts of things. We have to take advice on what the cost of all those things, vis-a-vis benefit, is. From an industry's perspective, certainly when we see them in July, I think the industry will be really happy to see that they're there and that they exist and it's something that we can prepare for and get excited for over the next little while. I'm sure we can look at

PUBLIC

opportunities to get industry engaged in having them here and how we can prepare for what that looks like. That would be my intent.

CHAIR - Is there anything else you want to point out, particularly from your submission?

Ms HILLS - I think we've covered it, in general. I was really keen today to talk about the preparedness issue and not becoming complacent around the real importance of continuing to ensure that our demand generators are appropriately funded, being Tourism Tasmania, Events Tasmania and Business Events because they are really the big levers that turn the dial for our industry, and work in conjunction with our access partners of which, of course, TT-Line is one. I appreciate the opportunity to come today and look forward to seeing your final report.

CHAIR - It won't be final until the berth is delivered.

Ms HILLS - Oh.

CHAIR - There may be interim reports to report the progress today, that sort of thing. This will be ongoing until we've attended the opening of the new vessel, I imagine.

Ms HILLS - I am looking forward to it.

CHAIR - A lot of people are.

Thank you very much for your appearance today. It's really helpful to hear from your sector, acknowledging the challenges that it's had, not just from this but also from the cost-of-living pressures everyone's feeling.

Ms HILLS - Thank you.

Mr LEESONG - Thanks for your time.

The witnesses withdrew.

The Committee suspended from 1:52 pm to 2:34 pm.