



PARLIAMENT OF TASMANIA

TRANSCRIPT

HOUSE OF ASSEMBLY

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE

Tasmanian Ports Corporation Pty Ltd

Tuesday 3 December 2024

MEMBERS

Mr Street (Chair);
Mr Behrakis MP (Deputy Chair);
Mr O'Byrne MP;
Mr Willie MP;
Mr Winter MP; and
Dr Woodruff MP

OTHER PARTICIPATING MEMBERS

Mr Bayley MP
Ms Finlay MP
Ms Dow MP
Ms Burnet MP
Mrs Beswick MP
Mr Garland MP
Mr Fairs MP

WITNESSES IN ATTENDANCE

Hon. Kerry Vincent MLC, Minister for Infrastructure, Minister for Local Government

Roger Gill, Chair

Anthony Donald, Chief Executive Officer

Amara Doyle, Interim Chair

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The committee resumed at 2.45 p.m.

CHAIR - The time scheduled for scrutiny of TasPorts is 3.5 hours. There's no scheduled break because the formation of the motion doesn't allow for time to be made-up. However, the minister has indicated that he might require a two-minute break at some stage during the hearing. If that does occur, then I'll make an exception and I'll make up whatever time is lost at the end of the hearing as well so that we maintain the 3.5 hours.

Members will be familiar with the practice of seeking additional information, which must be agreed to be taken by the minister or the chair of the board, and then handed in writing to the secretary of the Committee.

I'll invite the minister to introduce the people at the table with their names and positions and to make a brief opening statement to the Committee.

Mr VINCENT - Thank you, Chair. Today I'm joined by my chief of staff on my right-hand side, Tim Lovibond. On the left-hand side, I have Amara Doyle, the interim chair of TasPorts. Next to Amara is the CEO, Anthony Donald.

In the group behind me there, we have the chief financial officer, Dominic Townsend, who's not much older than me in the position, I think he started in October; group executive of major projects, assets, and technical services, Michael de Vos; and, very importantly, the harbourmaster, Captain Michael Wall.

Also in attendance there from TasPorts is the head of corporate affairs, Penny Sale, and the general counsel and company secretary, Angie Somann-Crawford. We have a fair coverage of people who may be needed at different points.

My opening statement, Chair. As the newly appointed Minister for Infrastructure with responsibility for TasPorts, I would like to make some opening comments about the importance of the company to Tasmania.

TasPorts plays a vital role in ensuring our island state remains connected to national and international trade networks, while supporting the needs of local industries and communities. TasPorts was created in 2006 to bring together four separate port corporations. This made our ports more efficient and allowed for smarter investment in Tasmania's future.

The financial performance for the 2024 financial year was a strong result, with a net profit of \$18.1 million. When TasPorts was established, it inherited ageing infrastructure and legacy leases that were commercially unsustainable, and limited TasPort's ability to invest in port infrastructure.

Some have criticised TasPorts for its commercial negotiation strategies with port users on one hand, and on the other hand, the company's perceived underinvestment in port infrastructure. However, the reality is that these negotiations are critical to transitioning outdated agreements into contemporary, fair, and sustainable leases that fund the essential capital upgrades needed to ensure the viability of our port network for future generations. For instance, recent agreements with TT-Line and SeaRoad at the Port of Devonport have not only supported ongoing operations but also enabled investment into ageing infrastructure.

Another more recent example is the future redevelopment of berth 6 at Macquarie Wharf in Hobart, which is now underpinned by a 30-year agreement with the Australian government and includes 188 million in Commonwealth funding for the project. This investment ensures Hobart remains Australia's Antarctic gateway and secures long-term employment for nearly a thousand Tasmanians engaged in the Antarctic and Southern Ocean sectors.

When we talk about upgrading Tasmanian port infrastructure, it's not just about fixing old wharves, it's also about making sure our ports can handle the ships of today and tomorrow. Over the past hundred years, ships have grown dramatically in size and capability. Ports built a century ago were designed for smaller, lighter, and less complex vessels. Container ships, for example, now carry thousands more containers than they did 20 years ago, requiring deeper berths, stronger wharves, and larger equipment. Similarly, the rise in cruise ships and specialised vessels like the *Nuyina* mean ports need to adapt to accommodate their unique needs. TasPorts' largest port upgrade in a generation continues at Devonport with QuayLink Project.

TasPorts is investing \$240 million into QuayLink over a number of packages, some being delivered by TasPorts, for example, the now complete package of works at berth 3E to support the development of the new home for the *Spirit of Tasmania* vessels, while other works are being delivered by TasPorts' exclusive port customers TT-Line and SeaRoad. Importantly, this approach to port development is consistent across the globe, where base infrastructure is delivered by the port and bespoke terminal infrastructure is designed and delivered by the dedicated tenant and operator.

TasPort's operational achievements this year underscores its role as an economic enabler in Tasmania, for example, overseeing 2630 safe vessel visits, including 144 cruise vessel arrivals, making it a strong recovery into Tasmania's tourism sector; achieving a record container throughput of the equivalent of 633,000 shipping containers, reflecting the resilience of Tasmania's trade economy; increasing Bass Island line sailings to 148 trips transporting 82,547 tonnes between King Island and Devonport, a vital connection for the island; facilitating the transit of 121,880 pastures through Devonport Airport, which I believe is about two-and-a-half thousand up on last year, reaffirming its importance as a regional gateway.

I'll conclude by confirming the government's commitment to reforming our government business enterprise and state-owned companies. That's why our government released its Government Business Governance Reform Draft Plan: to implement a more strategic, coordinated, long-term approach across these GBEs. Key drivers underpinning these reforms are: ensuring a coordinated approach to investment decisions to foster economic growth and opportunities; better service delivery of the essential services that support our economy and our community; maximising economic gains and efficiency improvements; and supporting the long-term sustainability of our government businesses.

The draft plan is currently out for feedback, with comments due back on 13 December 2024. Our reform agenda will be informed by the feedback we receive as part of the community consultation, important stakeholder feedback, and relevant advice we receive as part of this broader assessment process. Chair, I would just like to finish off by saying, although relatively new in this role, my commitment is solid to make sure that we have all GBEs performing to their maximum ability. With that, I say thank you, Chair, and invite questions.

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Ms DOW - My question is to the interim chair. Do you believe that TasPorts is in any way responsible for the *Spirit of Tasmania* fiasco?

Ms DOYLE - No.

Ms DOW - TasPorts, you as the interim chair, the previous chair and the CEO have largely been let off the hook when it comes to the *Spirit of Tasmania* ferry fiasco. Do you think that that's right?

Ms DOYLE - I don't think we contributed to the issue.

Ms DOW - Why has no one at TasPorts been held accountable for your role in the state's biggest infrastructure project stuff up in the state's history?

Ms DOYLE - Because I don't think we were responsible or contributed.

Ms DOW - What do you think went wrong then, from your perspective?

Ms DOYLE - I think that's really a question for TT-Line and a question for the minister responsible. We have spent considerable time as a board reviewing all the steps we took as part of that process and we believe that we took all possible steps available to us.

Ms DOW - You must have given some consideration then to what went wrong, as a board.

Ms DOYLE - Well, of course.

Ms DOW - You were implicated in and involved in the whole process. Surely, there must have been some self-reflection as a board about what you could have done better, how you were involved and your accountability in this whole fiasco?

Ms DOYLE - Of course, we have reflected. It's a significant failure, but we do not believe we contributed to the failure. As I said before, we on examination believe we took all steps necessary.

Ms BURNET - My questions are around the Hobart port. We've just heard that \$188 million of federal funding is allocated over four years for the Hobart berth 6 build, which is the subject of much interest. Hobart is an Antarctic gateway city. It's an important part of who we are; it is also worth \$183 million per annum to the local economy.

The initial cost was listed as \$515 million, but we've just talked about \$180 million. The back and forth means that the Australian Antarctic Division will now be paying for those upgrades to the berth. Who will be managing these works, and can you provide the likely cost and timeframe as to when these works will begin and the estimated completion date?

Mr VINCENT - Yes, it is \$188 million to come from the federal government, but I will refer to the CEO for a bit more detail on that.

Mr DONALD - TasPorts will be delivering the infrastructure works - the upgrades to Macquarie 6. Making reference to the \$188 million compared to the comment regarding the

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\$500 million, \$500-odd million was not a figure quoted by TasPorts. However, I think I was quoted on ABC radio as essentially explaining that, in my view, some rather crude mathematics - if you take \$188 million and you put it in the bank for 30 years and apply a 3.5 per cent interest rate, and you had an operational charge, then you get very close to the \$500-odd million.

Essentially, from TasPorts perspective, the commercial proposal we have had on the table for a number of years, we feel that we've achieved, and we think that that's of substantial benefit to TasPorts and also to Tasmania. Anything short of that would have been compromising our financial position, and we think that that would have been very unfair to all of our customers, when our role is to provide port infrastructure in a statewide manner.

Ms BURNET - There were other components to that. The timeframe for delivery - when it's likely to start and the estimated completion date?

Mr DONALD - We are planning to take our board through the finalised business case in March, and from that point we will be seeking shareholder approval, given the level of investment exceeds \$5 million - subject to shareholder approval, and I'm not anticipating that there will be any concerns there. Following that we'll immediately commence our procurement process. I would imagine that that will take five to six months. We are certainly planning to commence construction at this point in time during the 2025 calendar year.

The other question you asked was the duration of works. That is still yet to be determined, and I think that that will be yielded as a result of the procurement outcome. One of the things that's critical is that we maintain operations for our current customers, including cruise ships. We need to make sure that berths are available for the *Nuyina* and equally that we satisfy our cruise visitation for the benefit of the state.

Having an understanding of when the *Nuyina* is going down to the Southern Ocean and looking at the plans for the construction contractor associated with taking parts of those berths out of service to conduct piling operations, as an example, will inform the ultimate duration of completion. I would imagine it could be three to four years.

Mr O'BYRNE - Just mindful of your previous answer to the member for Braddon about TasPorts being totally blameless, I think that the people of Tasmania probably don't accept that position. For example, your previous chair on two public utterances acknowledged he didn't take notes in meetings, and sight unseen offered 'TT-Line will match the Geelong offer', without any level of detail. Do you think it's appropriate behaviour for a chair not to take minutes of meetings and to offer a sight unseen deal in Geelong? Do you think that's appropriate?

Ms DOYLE - Look, I think it's difficult for me to comment on what's appropriate based on a previous chair. What I will say around the minutes is it's important to understand what minutes you're referring to there. These are not board minutes, which has been said incorrectly in the past.

Mr O'BYRNE - No, I understand that - contemporaneous notes.

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Ms DOYLE - When you asked on reflection what could we have done differently, if we had had minutes to those meetings it would have categorically proven beyond doubt that TasPorts was not responsible in any way for this failure.

Ms DOW - Yes, but that's the problem, there are no minutes.

Ms DOYLE - Can I just share something else with you? In going back through this, when you are repeatedly publicly called to be sacked, which I think you're probably familiar with.

Mr O'BYRNE - Absolutely, and I'll repeat it again today.

Ms DOYLE - That's perfectly fine - I accept that that's your position - you do a lot of self-reflection. As a director, when you're appointed to these -

Ms DOW - It's a very serious matter.

Ms DOYLE - It's a very serious matter and we take our roles very seriously. We have professional reputations as well to consider. You don't take on a government board without understanding the responsibilities and without having an appetite to do a good job. I think that's an important thing to discuss.

On this reflection, which has been lengthy for us, professionally, I'd like to know where we did fail. I share your view that we've got a catastrophic failure. We had a big project to deliver, which we have delivered our portion of - on time, on budget. When we reflected here, one of the questions we asked TT-Line was where do you think we failed? The only response from TT-Line was, 'You perhaps should have escalated it to Cabinet'. There's no formal mechanism, as I understand it, for us to do that. We report to shareholder ministers, which we did. I put the question back to you - what more should we have done?

Mr O'BYRNE - In terms of my question, I'm not asking you to speak for the previous chair, but you were on the board. When you heard the chair say he offered a like-for-like agreement on Geelong without any detail, as a board member and now acting chair, did you contact the chair to ask, 'On whose authority? How could you make that decision?'. When he was making these public comments, what was the response from the board?

Ms DOYLE - When the board reviews projects it's a lengthy process. We look at business cases and as a board we make decisions based on information that is put before us.

Ms DOW - My question is to the minister. I guess I'm really shocked by the interim chair's response to say that TasPorts has no accountability whatsoever in the state's worst infrastructure stuff-up when clearly, through all that we've learnt through the Public Accounts Committee hearings and through other mechanisms, they did. As the minister who has now inherited this mess, are you satisfied with that answer that TasPorts doesn't have any accountability when it comes to this project?

Mr VINCENT - Just a correction on the mess. I'm not responsible for the TT-Line. I am for TasPorts. Every bit of literature that's been put in front of me so far indicates -

Ms DOW - You don't have a berth.

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Mr VINCENT - The communications that we have available to us do not show that TasPorts had the level of involvement in the decisions it is being accused of by opposition parties or the media. Everything I've seen so far reads quite clearly the offset of responsibilities between TT-Line and TasPorts.

Mr DONALD - If I could just add, you made a comment that we don't have a berth. The wharf is complete. We have constructed a brand-new wharf facility and the berth pocket is complete.

Ms DOW - Yes, but there's nowhere to berth a ship.

Mr DONALD - We have dredged the berth pocket. I think there's been some -

CHAIR - Ms Dow, please don't interject when people are answering questions.

Mr DONALD - At the risk of oversimplifying the complex work that TT-Line is responsible for, we're talking about the terminal works, so the terminal pavement, terminal building, land side improvements and the ramp. That's essentially what needs to be completed. If anyone would like to come up to Devonport East and have a look, I'd be very pleased to lead a tour of the brand-new wharf that we completed on time and at 7 per cent under budget and point out a lot of the innovative aspects to the design and construction techniques that were implemented. We're talking about a brand-new wharf that's sitting there with the fenders installed and a berth pocket that has been dredged ready for the vessel to come in.

Ms DOW - The fact remains that there's nowhere for the ship to berth.

Mr DONALD - No, that's not correct. There is nowhere for the vessel to be unloaded or loaded. It's slightly different.

Ms DOW - It can't be operational.

Ms BURNET - I have plenty of questions around Devonport and the Devonport QuayLink project, but we'll come back south again. Minister, the northern access road is seen as a critical part of the Macquarie Point stadium project and will provide access to the Port of Hobart. The cost at January 2024 figures is \$33.9 million and is one of many unfunded infrastructure projects associated with the stadium. I note that a letter dated 19 November from the chair of the TPC to Macquarie Point CEO Anne Beach requests more information for its consideration that the project is part of the Project of State Significance legislation and, specifically, the request is that roads or access ways used by vehicles, pedestrians and cyclists move in between the stadium building and the broader network, including the northern access road. Could you provide the committee with detail about the importance of that access road to TasPorts and how any upgrade to existing infrastructure needs to occur, specifically from the Tasman Highway?

Mr VINCENT - Thank you. We've had some discussions on this in some of our meetings. TasPorts has a strong collaborative relationship with the Macquarie Point Development Corporation (MPDC) and works closely with them to provide input into the precinct plan. TasPorts remains confident a stadium and working port can coexist and will continue to work closely with state government and the MPDC to support ongoing planning.

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TasPorts is very proud of its long history of coexistence between the working port and the community utilising the waterfront.

In relation to the northern access road specifically, TasPorts has worked with MPDC and Infrastructure Tasmania to support planning of the northern access road and as a northern entry point to provide access to the Port of Hobart. The northern access road will ensure a critical infrastructure connection from the Port of Hobart for continuing its operations. Anthony, is there anything you'd like to add around what's happened there?

Mr DONALD - Just to reiterate your point, minister, that we have had some very detailed collaboration with all landowners in the area as part of the City Deal and we have contributed to the process where a whole-of-precinct masterplan has been prepared. That confirms, from our perspective, the need for the northern access road. For heavy vehicles and buses that come in to support crews, it's really important that they are separated from pedestrian movements in particular. Safety is a really important aspect of our function and responsibility.

Ms BURNET - Who will be paying for that northern access road, minister?

Mr VINCENT - I don't think those details have been worked out at this stage. It is still being discussed on how it will shape up. I believe I'm correct there.

Mr DONALD - That's correct.

Mrs BESWICK - I've been looking at the last two years of annual reports and obviously, in the one that's just happened, you talked about finishing the wharf at Devonport on time, as you say. I find that quite a strange sentence to be saying when, in your 2022 annual report, we have a capital expenditure plan that says you underspent by \$65 million and the lower capital expenditure was due to timing realignment of the QuayLink program of works. That is then repeated in the next year where we have, again, \$60-70 000 less than was supposed to have spent on capital expenditure because it was due to a realignment of the QuayLink project. We know that we can't build a terminal until we have a wharf ready, so how did it not seem a strange thing to not have it ready until July, when we're due to bring the boats in six weeks later?

Mr DONALD - There's a couple of points in there. I will say that the QuayLink project - we've gone to great lengths to break it up into multiple components because we wanted to maximise local content. Some of the sequential activities post-completion of the TT-Line works include further improvements to the SeaRoad facility, which can't be undertaken until post-completion of the TT-Line facility. That has had an impact on our expenditure of capital essentially.

Mrs BESWICK - But obviously still, it's late. Otherwise you wouldn't have planned the capital for that year.

Mr DONALD - The lateness of the whole project is a dynamic piece of work, essentially. We can't complete works associated with our other tenant until we relocate TT-Line out of their existing facility at berth 1, which was always part of our program design. We needed to get cooperation, which we did, an agreement that we build a brand-new facility for TT-Line further upstream. We then relocate TT-Line to berth 1. We then augment the infrastructure and terminal layout for SeaRoad, moving them into the space currently occupied by TT-Line. You'd

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appreciate that work can't commence until TT Line have relocated. There's been a cascading delay to other components of the work.

Mr O'BYRNE - When it's been reported, and the previous chair has said that he made a verbal offer to essentially match the Geelong offer, were the board made aware of that? Was that with the authority of the board?

Ms DOYLE - We didn't have a formal paper on that to the board, if that's the question. No, not that I can recall. Remembering we have multiple board papers that we review every meeting. But no, not that I can recall.

Mr O'BYRNE - I understand, but this is obviously a big issue. What authority did the chair have to make that offer if it hadn't gone through the board - if it hadn't gone through a board paper process?

Ms DOYLE - Look, when he made that offer, I think it was as part of trying to move things along and to say, 'Look, we know that we have the capability to deliver that project, so let's deliver the project.' We have made repeated offers to TT-Line to deliver the project. It was in that vein. In which case, the board would have seen documentation and a plan to be able to do that. But anecdotally I'm sure that we would have been able to do that.

Mr DONALD - I might be able to add a helpful -

Ms DOYLE - Yeah, thanks, Anthony.

Mr DONALD - I was there at the time, and it was at a point where we were in negotiation for the commercial deal. It was in response to some comments from TT-Line that they were very positive and felt favourable around the commercial arrangement that they had in place with Geelong. It was in response to that that our chair offered to implement something similar. I presumed that that would have been subject to board approval. I don't think for a moment that that was in any way designed to shortcut our governance process. It was a commercial negotiation, and I thought it was a helpful offer.

CHAIR - I'm going to move to Mr Fairs for one question.

Mr FAIRS - Can I focus on Bell Bay, in my electorate? Obviously it's a critical export port, especially for our forest industries. Minister, can you update the committee on plans for infrastructure projects at the port in support of more than 3000 Tasmanians who support their families in our forestry sector, please?

Mr VINCENT - Thank you. It was a good trip up there last week to celebrate my birthday away with my partner, who got to spend a nice couple of hours on the wharf at Bell Bay with me.

Mr O'BYRNE - Romantic.

Mr VINCENT - Ah yes, it wasn't seen as that way, I'm afraid. Look, the shiploader that's been there now was designed back in commission back in 1992. When you get there in the wharf and you see the limitations of that, it was good to announce that \$15 million was being spent on the new shiploader, and modifying a few other things to do with the wharf as well.

That allows for a more complete and solid loading of the ships with the woodchips. There are a few things that need to happen for that to all take place, but modern technology over the 1992 version will see probably about close to 10 per cent extra chip being able to be loaded because you're able to layer it in and move - this new shipload will be able to move around and disperse the woodchips a lot more.

That's quite a substantial investment in the ongoing nature of that and having toured the operations of the three different woodchipping operations up there, it's quite a substantial investment in keeping those 300-odd jobs and \$1.2 billion economy moving.

Ms DOW - To the interim chair again. You said that, obviously, you recognise the significance of this project and the gigantic stuff-up that it's been, and you did indicate that, as a board, you're only able to make representation to your respective shareholder ministers should you have concerns about the progress of the project and its entirety. My question is to you, if you were so significantly concerned, why didn't you bring it to the attention of the premier of the day? Surely, you would have been able to have written to the Premier as a board of directors expressing your concern about how this project was progressing or not progressing.

Ms DOYLE - Respectfully, hindsight is a great thing. We implemented a gateway review, everyone's familiar with what that process is, and a style of gateway review to make sure that the portion of the project that we were delivering was on time, that we had good governance around it and that we understood where our project was up to. As part of that review, it was highlighted that TT-Line appeared to be behind their schedule, or where we would expect them to be.

You need to understand from a visibility perspective, TT-Line and TasPorts are two separate companies. We don't see what goes on in their boardroom, we don't see what goes on with their project reporting. We can only see what is happening with our project. So, we escalated it to the minister. The minister, obviously, then spoke to TT-Line. In fact, there was a meeting that was held between TasPorts, TT-Line, and the minister to discuss this.

TasPorts had raised it with the minister. The minister had then communicated with TT-Line, the concerns. TT-Line, at this point, were confident that they were on track and communicated that. So, when that comes back, as part of that meeting and you've got another company that we are not involved with at a detailed project level. How do we then say, 'No, you're wrong'? They know their project better than we do. We can only report on what we see. We advise the minister, TT-Line said that they had the project under control. In hindsight, I agree with you. If I had known what TT-Line either knew or should have known, then, of course, we would have you we would have tried to go - and remember what we're doing here, we're going around our minister. We don't know from the TasPorts side that the minister didn't escalate this further, that he didn't have a discussion in cabinet. We can't know that.

Ms DOW - Did you not ask him that though, as a board?

Ms DOYLE - Well, not as a board, you need to remember the board aren't in the room with the minister, ever. It's the chair and the CEO. So, perhaps part of that question -

Ms DOW - I understand that, but surely you would have written to him or through some sort of formal mechanism that you have for communicating with your responsible shareholder minister, you would have asked those questions or raised those concerns?

Ms DOYLE - We're talking about what we know with hindsight. So, at the time, we can only say what we could see from our side if TT-Line come back confidently that they're on target, how do we know that they're not? That's the question that I put back to you. With hindsight, I agree, but we didn't have hindsight. Anthony, I don't know if you've got anything you'd like to add to this.

Mr DONALD - Yeah, well, a lot of the confidence reported from TT-Line was informed by them through an understanding of their tender documents that they'd been privy to. Certainly, none of that information was shared with TasPorts in any detail whatsoever and, to be frank, it would have been inappropriate for them to share that level of detail. But they were supremely confident that they had a solution in place that would have enabled loading and unloading of the vessels in August commencing this year and certainly the minister was satisfied with the response.

Ms BURNET - Currently, Evans Street is used to connect all heavy land transport traffic to the port at Hobart, apart from across the port apron before Kings Marina and Constitution Dock. With the proposed development of the Macquarie Point Stadium, are you confident that this access will be maintained for port activities during the delivery of any stadium project or decommissioning of the water treatment works at Macquarie Point?

Mr VINCENT - Before I hand over to the CEO on that, I haven't been fully briefed because some of those plans have not been developed to a level that it has come across to various other ministries or agencies.

Ms BURNET - Part of the problem, yes.

Mr VINCENT - But I will just ask the CEO whether he's familiar with any more information on that than I am.

Mr DONALD - I would recognise that there needs to be a level of detailed planning and traffic assessment undertaken to ensure that that is the case. TasPorts has previously undertaken a relatively detailed assessment of traffic, albeit quite a number of years ago, upon the establishment of the Southern Export Terminal, which is the forestry export terminal out of Hobart. During that process we examined what number of heavy vehicle movements would be required to support a million tonnes of log exports per annum, and we worked through a process whereby we then mandated that those heavy vehicle movements occurred outside of the morning and afternoon peaks.

Now, those traffic numbers, I think, would grossly exceed in any way, shape or form the number of heavy vehicle movements required for the construction of the stadium, albeit that's just my opinion and I think there needs to be a process to validate that to ensure the ongoing operation of the port.

Ms BURNET - There are -

Mr DONALD - Sorry to interrupt, but I don't see any concerns - from our interactions today, I don't feel that there's any resistance to doing that properly.

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Ms BURNET - There are a lot of moving parts and major projects to be delivered in a fairly small area at Macquarie Point: the waste water treatment shift to Selfs Point, the delivery of berth six for the *Nuyina*, the Northern Access road, which is another major project for which we haven't got any price tag or any responsibility of who's going to pay for it, and the stadium. Given your recent experience with mega projects, with the *Spirit* ferries and infrastructure, how confident are you, Mr Donald, on a scale of one to 10, with 10 being the most confident, that you will be able to deliver your projects on time and on budget and that you will have full access to your port?

Mr DONALD - I would say 10.

Ms BURNET - Ten? Goodness me. Unbelievable, but anyway.

Mr GARLAND - From the Public Accounts Committee inquiry in August, Mr Donald, you suggested that the first time you had some concerns about TT-Line delivering the berth 3 upgrades in Devonport would have been early-2023. Specifically what date was that?

Mr DONALD - I'll have my team confirm that, but I do recall it was April 2023. That's March/April 2023.

Mr GARLAND - When was TasPorts first informed that the berth 3 preferred tenderer, Hazell Brothers, was rescinded by TT-Line during caretaker, and what were your thoughts about TT-Line's management of this?

Mr DONALD - Again, I'll have to take that on notice in terms of the specific date that we were informed. I felt that it was an unusual step by TT-Line.

CHAIR - Just to be clear, Mr Garland, if you want that date to be taken on notice, you need to provide the question in writing to the secretary.

Ms DOW - Is it true that in May 2020, at the height of COVID, TasPorts wrote to TT-Line proposing to increase their costs by 250 per cent? Is it also true that you originally said it was not due to the cost of constructing berth 3?

Ms DOYLE - Referring to 2020?

Ms DOW - Yes. May 2020.

Ms DOYLE - I will have to take that on notice.

Ms DOW - I'll put that on notice. I'm just a bit confused about the fact that you say that you don't have any accountability or that you weren't intimately involved in the project. My next couple of questions will provide examples as to why I'm a bit confused about that.

TT-Line was supposed to have access to the berth 3 site in June 2023 to undertake critical path and geotechnical works. That timeframe was delayed by TasPorts until September, then October, then November of that year. In fact, it wasn't until the end of May this year that TT-Line were finally provided the access that they required. That's nearly a full year late. Why did TasPorts block this access, and why was it delayed so significantly?

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Ms DOYLE - I'll refer this question to Mr Donald, because he has a detailed response for that.

Mr DONALD - Access to the site - essentially, we disagree with those statements. The provision of access to undertake geotechnical works was ongoing and provided sufficiently early enough for TT-Line to effect those works. I've got a document here, which I'm happy to table, which provides sort of a chronology of the key moments in time that we provided them with access.

Essentially, following the agreement that we reached with TT-Line around the lease, both parties had 12 months broadly to undertake investigation, planning and procurement activities to undertake the works. TasPorts conducted its geotechnical investigation during that period and repeatedly prompted TT-Line to do the same. TT-Line decided not to avail themselves of the opportunity to undertake that geotechnical investigation at that point in time.

TasPorts conducted its geotechnical investigation and then provided the information, the details to TT-Line for their consideration, noting that they still had to undertake some fairly detailed geotechnical investigation around the scope of their work.

We then awarded a construction contract, which then required our contractor to take possession of the site to undertake the berth dredging, to undertake the piling activities associated with the construction of the brand-new wharf - again, that we have completed - and to undertake reclamation. Reclamation is essentially bringing in rock material and changing the shape of the river, essentially providing the base level infrastructure for the location of the ramp footings for TT-Line.

During that period, we provided TT-Line with, I think, five or six construction licences, which delayed the activities of our construction contractor, to enable them to conduct geotechnical investigations and environmental assessments. We continued to offer that we would make that site available with the cooperation of the contractor, Hazell Brady. We can repeatedly demonstrate that they were able to conduct those geotechnical and environmental investigations in a seamless manner.

What was tabled in PAC was a photograph of our barge at a point in time sitting in the berth pocket. It was asserted by Mr Dwyer that that was the cause of the delay for them commencing their geotechnical investigations on the critical path activities. He went further on to say that the critical path activities were associated with the piling required for the gantry or the ramp.

I've got a couple of points to say on that, the first one being that a marine barge could be moved within about half an hour. We offered that we would move the barge if TT-Line required the site to undertake further geotechnical investigations. We, of course, would have moved the barge and it would have taken around half an hour to do so.

The second point is that the critical path activities were in the area of reclamation. How does a marine barge sitting in a berth pocket prevent geotechnical investigations being conducted in the area of reclamation? I'm yet to see or hear any other evidence from TT-Line that confirms their suggestion that we delayed their access. Again, I'm happy to take you through the detail, but happy to table that -

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Ms DOW - If you could just table it that would be good, because I'm conscious of time. Why would TT-Line do that? Why would you move the barge knowing that they were wanting to access that area? It seems a lot of 'he said; she said'. It's quite -

Mr DONALD - Why wouldn't we? We offered to move the barge. We repeatedly said - I had a discussion with Mr Dwyer -

Ms DOW - Are you intimating that Mr Dwyer's not being truthful with PAC? Is that what you're intimating about his -

Mr DONALD - I'm not intimating anything. I'm confirming that we repeatedly offered to move the barge. We repeatedly provided, and the document provides specific examples of when construction licences were issued to TT-Line to undertake the geotechnical investigations. There were quite a number of geotechnical investigations undertaken. Perhaps the committee can make up their own mind around why that was required.

Mr O'BYRNE - I'm interested in your commented about 'with hindsight'. I accept that on a level, there is always a level of hindsight, but it's clear from the evidence that the CEO was flagging issues in early 2023, I'm assuming that would have been reported to the board. The meeting that you referred to where the minister called people together, that was in the back end of last year, in my understanding.

Mr DONALD - November.

Mr O'BYRNE - Blind Freddie could have told you that even if TT-Line said they're on track, that was never going to happen. They were always going to be delayed. They were going to be catastrophically delayed in terms of the viability of the project. If we take what you say on face value, that you're not responsible, are you culpable for just sitting back and saying, 'This is a difficult commercial negotiation. TT-Line are being - they are what they are. Let's just sit back and let them take the fall'?

Ms DOYLE - No, that's not - I'll just answer first, Anthony, and then I'll pass it to you. That's not what we're saying at all. At a board level, we absolutely knew about this. We had discussions at the board level to ensure that the minister was informed of it, and what more we could do to ensure that we passed on the information that we had available to us to test what was happening on the TT-Line side. Further to that, as this continued to progress and we got towards November, we suggested that a project integrator be incorporated to ensure that we could try and tease out this issue with TT-Line. That project integrator - which was suggested, I think, in November, Anthony, if that's right - at our suggestion, was then put in place. I do respectfully disagree with you. We did take a number of steps to try to understand the extent of the issue, once we became concerned that there was an issue.

Mr O'BYRNE - Now I understand that you weren't in the -

CHAIR - Just before you go on, Mr O'Byrne, there's been a question as to whether the CEO is entitled to table any documents. Only the chair or the minister can, I think, so if we can just get the document -

Mr O'BYRNE - I don't think they're going to stop.

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CHAIR - Sorry?

Mr O'BYRNE - I think they're going to be happy with it.

CHAIR - Yes, but anyway.

Mr O'BYRNE - In terms of that, and I acknowledge that you were not in the regular fortnightly or monthly meetings that happen with the minister, when was the first time that you understood, as a board member, that the chair had said to minister Ferguson, 'We've got a problem, this is catastrophically delayed', not just, 'We're concerned'. When did you, as an organisation, inform minister Ferguson that this is going to be a problem?

Mr DONALD - We'll double-check this, but I recall that it was April 2023.

Mr O'BYRNE - What was the nature of that advice? Was it, 'Oh, we're not sure about this', or, 'We've got a real problem, this is catastrophic'?

Mr DONALD - No, it was that we raised concerns, with respect to their scheduled performance, and that there was a risk that the vessels may not be able to successfully load or unload.

Mr O'BYRNE - What was the minister's response?

Mr DONALD - He was appropriately concerned. He indicated that he would take that conversation away and have that with TT-Line.

Mr O'BYRNE - What happened at your next meeting, as feedback?

Mr DONALD - The next meeting he had indicated that he'd brought it to TT-Line's attention, and they were very clear that there was no issue to be concerned about. I'm sure - that's my words, not specifically his - but he had a level of comfort and informed through their confidence that there was no risk. That married up with the repeated feedback that we were receiving from -

Mr O'BYRNE - The public comments.

CHAIR - Just before I go to Ms Burnet for the next question, would you like to table that?

Ms DOYLE - Yes. If I could table the timeline, please.

Ms BURNET - Minister, I have your press release from 22 November. I probably won't quote the same as Mr Fairs might have. In relation to the shiploader at Bell Bay, which is at a cost of \$15 million, given that the new minerals shiploader at the port of Burnie costs \$82 million, is it likely to cost \$15 million at Bell Bay for this infrastructure?

Mr VINCENT - It is very different sort of machinery all up and the conveyor belt systems and everything that does supply the one at Bell Bay have a lot different set up to what it is - but I might just ask the CEO for a bit more detail on that. I should acknowledge that the

ship loader at Burnie is through TasRail and was commissioned by TasRail, but there is a close working relationship with TasPorts at the Burnie Wharf.

Mr DONALD - The ship loader at TasRail is for minerals exports and is a very significant structure. The little ship loader we are planning to put in place at Bell Bay is for woodchip exports and is very different in nature. It is a lot smaller and more nimble in that we can move it around the wharf and it can move around to accommodate the changing beam or width of vessels. It really is designed around optimising or maximising the compaction rates that we will achieve with our customers for woodchips and economies of scale in compaction is really important to our customers and ourselves in ensuring we and they in particular get vary for money in paying their shipping costs.

I might just say that the collaboration and cooperation from our three customers and the TasPorts team in working together to align on the scoping required for the ship loader is something I'm particularly proud about. As a civil engineer, I have learned a lot about the art and science of compaction of woodchips and I regard it as a combination of an art and a science. The combination of the location of pulleys and belts and the diameter of the of the tubular sections and, in particular, the radius of the curves and the speed of the ship, all work together in a manner that creates the ship being able to hit the side of the hull of the vessel and lay flat, essentially, enabling more and more volume to go on to every ship.

Ms BURNET - This is an infrastructure upgrade for Bell Bay. How is it that for the Antarctic Division and Hobart berth 6 there was significant pushback from TasPorts and yet TasPorts is financing the upgrade at Bell Bay for the ship loader for woodchips?

Mr VINCENT - It is a common-user facility for the loader, but to come to your other point, we equally offered to finance the upgrade of Macquarie berth 6. It was the federal government's determination in consultation with the Tasmanian government that a funding source be provided directly from them. Our proposal for in excess of four years was that we would debt-fund that investment.

Mrs BESWICK - Going back to the timeline here, you've mentioned that last year was when you started to get quite concerned. Given that you actually only contracted your part in the previous August, what's the expectation there that somehow this terminal was going to be built while the wharf was still being created? What was the concern when you tendered that it was going to be done in time and that the terminal could be built in time?

Mr DONALD - That's a matter for TT-Line. We certainly had advice and we had concerns around the schedule performance that we brought to their and to the minister's attention. TT-Line provided a very confident response that they had tender submissions and a preferred tenderer who was indicating they had an at-grade solution that would be available for use in August of this year. Without having the opportunity to go through those tender submissions in any detail it's hard to discredit or not believe it.

CHAIR - Technically, can I be clear that the questions need to go through either the minister or the chair and they then need to pass it to the CEO? The questions can't go directly to the CEO. I'm not suggesting that you did, Mrs Beswick, but process-wise we need to maintain.

Mr DONALD - That was my fault. Sorry, Chair.

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CHAIR - That's okay.

Mrs BESWICK - I'm less concerned about the contract in terms of TT-Line and their building of the terminal, but more your contract in building the wharf. Obviously, you can't build a terminal on top of a wharf until the wharf exists.

Mr VINCENT - Would you like to continue answering that?

Mr DONALD - With a very close interface, but two separate footprints. Our wharf was complete. As part of the project, we put in place a process where we had a fortnightly and monthly project steering committee, we had working group meetings, so that there was a sharing of an understanding of any complexities associated with interfaces between any construction activities. Unfortunately, in hindsight, the construction activities never overlapped.

Ms DOW - You've stated, interim chair, that you don't think TasPorts should be held accountable for this whole debacle and fiasco that has unfolded and the current situation we're in in Tasmania. Do you accept that the delays from TasPorts that we've talked about and the flowchart that you've tabled here for us today contributed to delays in the project itself? Your CEO has disputed the evidence provided to the Public Accounts Committee by the former chair of TT-Line. He gave some pretty substantial evidence there about the role that TasPorts played in delaying the project. Do you concur with your CEO that, in fact, you didn't block the progress of the project and contribute to the delays?

Ms DOYLE - I don't believe so. Someone behind me might fact-check this, but I think Peter Gemmell in a submission to PAC confirmed that any delays were irrelevant because TT-Line wasn't in a position to move forward anyway. I take your point, but no, I believe firmly that those delays didn't contribute.

Ms DOW - All Right. In October of 2023 the chair was advised by TT-Line that the delays accessing the site risked increasing the cost of the berth upgrade by about \$100 million. What action did TasPorts take in response?

Ms DOYLE - Sorry, which chair?

Ms DOW - The chair of TT-Line is my understanding.

Ms DOYLE - I'm not sure how I can answer that question. Can I refer that to you?

Mr DONALD - Can I ask a question about the question?

Ms DOW - No, you answer the questions.

Mr DONALD - I'm not aware of any communication from the chair around the \$100 million.

Ms DOW - Did the government or the shareholder minister at the time ever direct you to provide TT-Line with access to berth 3?

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Mr DONALD - Sorry, can you please repeat the question?

Ms DOW - Did the government or your shareholder minister - or ministers - ever direct you to provide TT-Line with access to berth 3 throughout that whole process of where you were negotiating around the barge and access and geotechnical work?

Mr VINCENT - That's definitely one I'll have to ask Anthony.

Mr DONALD - No, because it wasn't required. We would have always provided access upon request.

Ms DOW - Yes, but the evidence they provide is contrary to that, that you blocked it.

Mr DONALD - What evidence?

Ms DOW - The evidence given by the former chair of TT-Line to the Public Accounts Committee.

Mr DONALD - What evidence?

CHAIR - Please, if we could stop the back and forth. I'll go to Mr O'Byrne.

Mr O'BYRNE - My question is to the interim chair. Maybe I've misheard or am confused, so I'll give you the opportunity to clean it up for me. You say that TasPorts is not to blame for the delays at Devonport and you did all you could. You flagged it with the minister, by the chair, on numerous occasions and didn't sit back and sort of wait for it all to fall down, but in another answer earlier on, you said 'in hindsight.' What would you have done differently in hindsight? Have I got that confused?

Ms DOYLE - A little bit. What I said in hindsight, but I'm not sure this is available to us as a mechanism, and really when you look at the governance structure, we report to the shareholder minister, that's who we report to. We have no oversight of what the minister then does with that information. Does he discuss it at cabinet? Does he discuss it with the premier? We have no visibility over that.

The hindsight bit is, if it is the case, and I don't know this answer because I'm not in those rooms, but if it is the case that this wasn't escalated to cabinet and to the premier, then in hindsight yes, perhaps we should have, but understand that that is circumventing a governance process. One of the things that I'll be commenting on when we're looking at the governance reforms that have been put forward by the government is this very question. What do we do if we think that something hasn't been escalated by a minister? And that gets us into quite dangerous territory, I think, but that's how I was trying to respond to that question. Does that make sense?

Mr O'BYRNE - It does. So, minister, you have a GBE that has been involved, to various degrees, and there's a range of opinions on it and conflicting evidence, in the biggest infrastructure failure that has cost the Tasmanian economy and will cost the Tasmanian economy and community a lot more money, not only the budget bottom line. As the new minister, how comfortable do you feel that you have a GBE who has been, by a number of

people, had blame apportioned to them, not accepting that blame and essentially blaming another GBE?

Mr VINCENT - As I said before, I haven't seen any evidence that puts the CEO or the board in an awkward position with another GBE. There is documentation that shows clear-cut responsibilities to do with the projects that we're talking about and I'm comfortable with that. Now, I cannot go back and change the past, but what I can do is, as thoroughly as I can, work through with the people that are left in TasPorts at the moment because a couple have left the board and there is a rotation going on, and working with the various parts of it to try to make sure that everything is right going forward.

Now, we have a mess that we're trying to clean up and everybody's acknowledged that and admitted that, but as I've said before, I haven't seen the evidence that I can take further with the people on my left other than move on with fixing some of the issues that we're dealing with.

Mr O'BYRNE - I understand that and I do appreciate that as the new minister, but how do you?

CHAIR - Mr O'Byrne I am going to move on and come back.

Ms BURNET - Let me go back to Bell Bay and the woodchip ship loader. I'm interested to know - it was mentioned that there are three customers, I'm interested to know who those customers are?

Mr VINCENT - Midway, Artech, and Reliance.

Ms BURNET - Would you say that TasPorts are effectively subsidising the forestry industry with this project?

Mr VINCENT - I have no evidence before me to suggest that whatsoever, but I haven't dug that deep into the woodchip industry.

Ms BURNET - It looks like you're building infrastructure for them.

Mr GARLAND - Given that the *Spirit of Tasmania's* long port upgrades to accommodate the new ships were completed in one year and TT-Line has engaged the same contractors, do you think that the two to two-and-a-half year timeline, October 2026 or February 2027, as per the Gemell-Moloney report, is a reasonable timeframe for berth 3 to be upgraded? What measures could we put in place to speed this process up?

Mr VINCENT - Certainly need to ask the civil engineer or CEO those questions.

Mr DONALD - I would say that's a question for TT-Line later this week.

CHAIR - I'm going to come back to Mr O'Byrne for one more question before I go to Ms Dow.

Mr O'BYRNE - As TasPorts border defending themselves in terms of their credibility and in terms of their duties to fulfil on behalf of the state of Tasmania, so are the people on TT-Line. So, who's lying? That's to the minister.

Mr VINCENT - Well, we're certainly not in a court of law where I have to determine who's lying. What I am in is a position where I have to continue to operate and make sure that everything is happening at four ports - major ports and all the minor ports around Tasmania. That is what I'm trying to do at the moment.

Everybody's pointing the finger and doing the blame game. I'm trying to get on with making sure that - these are enormous GBEs with a lot of employees and an enormous turnover with a lot of reliance on Tasmania being an island state where the freight and the airports - the whole operations - need to be run as smoothly as they possibly can. My focus is very much on making sure those things happen in an appropriate way, with a line in the sand, of a few months ago.

Yes, there will be some review of some of the paperwork and situations and any evidence that comes forward. But, it is an advantage having, at the moment, the review into the GBEs, because everybody's involved in making comment on ways that the GBEs may need to be reformed or changed slightly or flexed, and that includes the way shareholder ministers like myself may deal with the day-to-day operations or the monthly operations of the GBE.

There are a lot of balls in the air at the moment, but I unashamedly say that my focus is on making sure that we are still operating for the best of the ability for the Tasmanian people, as we sit presently under my ministry.

Ms DOW - Building on that further, minister. Obviously, the Premier said some time ago that he wanted to end the blame game when it came to this project, but quite clearly today, we've heard from your interim chair of the board for whom you're responsible, and the CEO that they are blaming TT-Line fairly and squarely for the issues. Do you find that acceptable?

Mr VINCENT - Certainly, the Premier has the ability to make his own comments, and if you think about it, similar to the answer I gave Mr O'Byrne, that it is okay to have the blame game and to look at that. That's a separate body of work. Yes, it is a monumental amount of work, but you still have to operate these businesses for the better of Tasmania.

I know the board and the CEO have probably wanted to say more on the subject, but they can only talk about what evidence they have or what they believe to be correct through their board structure with the CEO and any communication they may have. So, it's very awkward to say whether it's a different understanding - I don't like the word lying, but people can have different misconceptions that - rightly or wrongly on all sides of the fence. But once again, we have to keep those businesses operating.

Ms DOW - It's a question though, isn't it minister, surely, of accountability?

Mr VINCENT - There's always accountability, and there is a rotation in board going on for a whole heap of different reasons, and an ongoing review of how those GBEs operate - not just TT-Line and TasPorts, but all GBEs and SoCs. This will be part of it, and I'm sure this isn't going to go away overnight, and no intention for it; nobody's running for it. But we are trying to manage the situation as best we possibly can.

Ms DOW - TasPorts provided advice to the government in relation to the now abandoned berth 1 proposal, which I'm sure you'll be very familiar with. That was prior to them issuing

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you and TT-Line with a ministerial direction to complete the works, which you'll recall. In August, in fact, the CEO told the Public Accounts Committee:

I'm very confident that we could have berth 1 completed for the interim capacity well and truly before berth 3 is complete.

It was subsequently deemed unsafe and unviable to progress with berth 1. My question, through the minister, is to the interim chair. How did TasPorts get it so wrong when it comes to berth 1?

Ms DOYLE - I think this is a question that's best answered by the CEO.

Mr DONALD - We worked through a range of options to activate and use berth 1 from an operational perspective. Certainly, from an engineering perspective, we felt that we'd covered all bases. Where the issue with berth 1 was found to be unsafe was through the marine simulations that were conducted with the oversight of the harbourmaster, and that was always part of the assessment process.

Ms DOW - Are you assuming accountability for getting that so wrong, as the CEO?

CHAIR - Again, Ms Dow, that question needs to go through the minister or the chair to then be redirected.

Ms DOW - To the CEO.

Mr DONALD - We felt that we provided a range of options to TT-Line and the government to enable berthing to occur.

Mr FAIRS - I'd like to talk to you about King Island and the role TasPorts played in the long-running drought. As we know, there are a lot of people affected. A lot of farmers had to do the heartbreaking thing of destocking, and obviously getting feed over there and things like that. Can you just explain, minister, or TasPorts, what their role was in achieving this and helping farmers in dire need?

Mr VINCENT - One of the best things about taking this ministry on is I had the privilege - and I'm somewhat embarrassed to say that these were my first trips to King and Flinders Island. My long history on this state, have been since I've taken this ministry on, and found them both to be absolutely fascinating and unique places in Tasmania.

It was quite interesting to look at what happened with fodder over there. I think we're seeing the same situation developed this year. Although they've had solid rainfall this weekend, I don't believe it's anywhere near enough. The first thing I think the mayor told me on Flinders Island was that there was nowhere near enough water to get them through unless they had substantial rains. King Island is looking pretty good at the moment, but it is a green carpet with a limited amount of length of grass to be able to cut silage and fodder.

I've been working closely with the Minister for Primary Industries to make sure that shipping and movement of stock is going to be important to destock farms, as they say, necessarily in a quicker time fashion than was expected last year when the drought hit. As early as March last year, TasPorts did sit down with a round table with different people on the island

to see how they could do. They dramatically increased the amount of trips in and out by Bass Island Shipping, which made a difference, and offered fairly heavily discounted rates for the trailers coming back that were full of stockfeed as well, plus did dedicated runs with the stockfeed. I'm sincerely hoping that the management of stock and a better understanding this year will see some of that hardship prevented this year. We are all ready and willing to act if it does dry out more than what it has been.

Ms BURNET - Minister, the Legislative Council report into the operations of TasPorts, which was done earlier this year, in Appendix E it goes some way to showing the upcoming maintenance project workload and cost for TasPorts. However, it is silent on many projects that Tasmanians should know about. Look at line item 129 for the Hobart Franklin Wharf remediation, it says that it will start on 15 May and finish 960 days later on 18 January 2028. We've just heard earlier that berth 6 in Hobart is going to take three to four years. It's going to push any sort of stadium - or it will compete with the stadium delivery as well, with projects happening there.

CHAIR - Need a question, please, Ms Burnet.

Ms BURNET - It's coming, it's coming. Given that this is so important to Tasmanians, and they should know about these projects, in the interest of transparency, when will TasPorts reveal the costed 20-year maintenance plan for port assets?

Mr VINCENT - This has been a fairly heavily done subject for quite some time now, highlighted by some of the major issues. When I was down in Burnie we spent most of our time on the Strait Link wharf, understanding some of the legacy issues there, a wharf that was originally constructed in 1860, I think. The blocks are still there, magnificent how they are still sitting there as the main structure of the wharf. It has highlighted in the issues with the side thrusters and the size of the ships that I mentioned in my opening address, and some of the situations that's causing now. The one thing I have been heartened by, before I hand over to the CEO to give a bit more detail, is that the equipment that they have been using - both underwater and above water - and to highlight some of the ongoing structural things has probably exacerbated a much heavier asset management list than we had as shareholder ministers and government probably realised. There are a lot of conversations taking place regarding that.

It would be quite comprehensive, and this is one of the things that some of the gentlemen behind me have raised as something that needs to be addressed a lot more. That 20-year plan is going to be needed for the government, too, to understand where the profits of a GBE are needed to be reinvested, to make sure that we have the wharf structure and other associated parts of what they look after into a place where we're going to know it's solidly going to be an advantage to us and not a legacy. But that's going to take a lot of years of work.

I'll just hand over to the CEO for a bit more detail around their asset management and what they're doing to keep a closer eye on, and what has been available in the past.

Mr DONALD - Thank you, minister. We're on a path of continuous improvement for our asset management maturity and heading rapidly towards ISO accreditation in that regard. We undertake regular and detailed condition inspections, we are collating all of the condition data, and we are assembling a list of infrastructure spend.

Ms Burnet, to come back to your original question: our current estimate of the 20-year pipeline of infrastructure spend required on just our asset management associated with our current assets is currently \$621 million.

We have some challenges ahead. We have ageing infrastructure. We have some of the most beautiful ports in the world, and equally, some of the oldest ports in Australia. We also have the reality of low berth utilisation when compared to other ports nationally. What does that mean? We broadly have a berth utilisation that sits around 27 to 28 per cent of the time. Three quarters of the time, our berths are empty. When they're empty, we're not generating revenue we can then reinvest in our assets.

Our objective is to continue, year on year, to increase our asset management investment into our infrastructure, because we understand that that is vital for the ongoing freight movements and passenger movements that support the Tasmanian economy.

Ms BURNET - In relation to prioritisation, because something like berth 6 in Hobart - obviously QuayLink and whatever happens at Devonport, but the prioritisation of that list and when that list will be complete and ready for public viewing.

Mr DONALD - Thank you for the question. There's a quite lengthy and detailed answer, but I will attempt to simplify it.

The prioritisation of our investment will be dynamic year on year. We have a three-to-five-year plan and a 20-year asset management investment plan, and the prioritisation of those will be assessed year on year for the next year. We are moving away from having a capital investment program that is centric around the financial year. The financial year reporting is really important, but from an infrastructure project delivery or investment perspective, we need to be focused on the start and the end of every project. So, we absolutely commit to transparency on the forward-looking program.

The second part of your question was around prioritisation. We've been working through some of our sustainability obligations more recently, and one of the contributions that we'll be making as part of the GBE reform is that we've put together an investment framework for non-commercial assets.

We clearly understand that, from an asset condition or safety perspective, we need to keep all of our assets operational, safe and functional. We also have a raft of assets that do not generate a commercial return, but are really important to the community and really important for us to continue to maintain our social licence. We believe that we demonstrate regularly that we make good decisions on behalf of Tasmania.

However, we also recognise that there would be a benefit for us to have a framework that's transparent, that provides a rating assessment, which then enables a prioritisation of investments around non-commercial assets. That's something that we've shared recently with the shareholder minister, Treasury and the Department of State Growth. We continue to work through that internally and I would expect that certainly we will commence from early next month in sharing how those frameworks and prioritisation numbers are looking when our board considers business cases moving forward.

Mr VINCENT - Just before we move on, I might just say from a naive set of fresh eyes, going down to Burnie, it's quite interesting. It's not just asset management; some of the asset renewal is quite interesting. I found it fascinating that we can only take cruise ships up to 195 metres, but some of the cruise ships being built at the moment are well over 300 metres. If we look at SeaRoad, when they had to pull out of Grassy, it was because they had a bigger boat. We're looking at the operations, what they do in and out of Devonport now.

So, it's not just maintaining, it's also about us having very much a focus on the future of what is needed in our ports, and that's right around the state - to be able to service the state better and more efficiently with better equipment. I was quite surprised even at two of the docks - and you might remember which one - whilst they are in Burnie, they've got a slight angle on them. When you start to take the ships out, you get to a pinch point when you go further out. So the realignment of some of these things and some of the major work that's got to happen will be surprising when we start to see longer ships in place and look at those sorts of things.

It was a real eye-opener for me. I've always been proud that I'm trying to look in the future for some of the issues that they do have to deal with.

Mr O'BYRNE - My question goes on from the broader concept of a government business enterprise and the responsibility they have for Tasmanians and the Tasmanian economy. It's not just about your return on investment, and there's obligations now. It goes to in part to the Devonport disaster and other activities. Last year I asked a question of the chair around the *Nuyina* and the refuelling issue and asking why, in the to and fro, he wasn't proactive in terms of facilitating an option for resolution.

The response I got from the former chair was, 'You do not jump in as a port corporation and say, "I have got to be sorting out these problems"'. My question would be why not? Is that a cultural issue that's played out in Devonport as well - it's not your problem to fix other people's problems, when arguably it is?

Mr DONALD - Certainly the Devonport example, I think we've made it clear that we escalated our concerns. The refuelling options for the *Nuyina* - there are a number of refuelling options, and we are contributing and have continued to contribute to conversations around those options that have been facilitated by the Department of State Growth.

Mr O'BYRNE - How can you rationalise that with the direct response to my question last year by the former chair?

Ms DOYLE - I think it's a difficult question for me to answer, only probably in the context of what he was referring to, that fuelling - we are being part of the solution or attempting to be part of the solution, but going back to the comment, we don't typically get involved in the provision of fuel.

Mr O'BYRNE - But the solution for a significant client like the Antarctic Gateway, which was at risk - you'd think you'd probably want to be involved to try and sort that? It's one of your major customers.

Mr DONALD - We weren't specifically asked by AAD to provide refuelling options. They were having discussions with the Department of State Growth, and have continued to have discussions.

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Mr O'BYRNE - You knew that they couldn't get under the bridge. You knew that was going to be a problem. They had to go to Burnie.

Mr DONALD - Well, there are other options.

Mr O'BYRNE - Yes, and that wasn't the answer to my question last year. It was about a fuel barge and he said, 'It's not our problem. We don't jump in; it's for other people to sort'.

Mr DONALD - But it's for the ship owner to arrange for their own benefit and requirements, the provision of fuel. And we weren't -

Mr O'BYRNE - I understand that, and in normal ports -

DEPUTY CHAIR - Last question.

Mr O'BYRNE - around when there's a lot of business and a lot of people going on, but you said yourself you only have a few clients, really, in the state comparative to other ports. This is important. It's at risk.

Mr DONALD - I said we had low berth utilisation.

Mr O'BYRNE - Let's not split hairs on this.

Mr DONALD - No, we have a multi-port system. We have a lot of -

Mr O'BYRNE - How many major - okay. How many clients do you have the size of the Antarctic division?

Mr DONALD - I don't know the answer to that. I think, you know, I'd be speculating.

Mr O'BYRNE - Top five, maybe? Top five?

DEPUTY CHAIR - Mr O'Byrne, if you could let - get an answer. We'll go to Ms Dow.

Mr DONALD - Are we rating in volume?

Ms DOW - My question is to the minister. Tasmanians want to know why there have been no consequences at TasPorts from the fallout of the *Spirit* debacle. You'll be aware recently that there was a survey done by EMRS about the new *Spirits* scandal. Interestingly, the feedback in that survey from Tasmanians was that they felt that TasPorts were responsible for the scandal more so than TT-Line. Minister, the chair of TT-Line was sacked, the CEO has resigned and half their board has gone. Who's been held accountable at TasPorts? The Tasmanian people want to know.

Mr VINCENT - I think there's a misconception there that TasPorts is to blame. It's very easy, and by the negativity put up by certain parts of politics and the media, with the lack of understanding of some of the paperwork I've seen, it's very easy to point the finger and say TasPorts or TT-Line or individuals. There has been a fair bit of thought go into the way TasPorts is operating. We have also seen the resignation of the chair of TasPorts. He was

coming to that time. We've also seen a lot of frank and awkward discussions with the board of TT-Line. We have presently just appointed two new people with specialised skills to come onto that board. There is a management change happening in regard to that.

Ms DOW - What I'm hearing you say is that no one specifically has been held accountable, though.

Mr VINCENT - If there was somebody that needed to be held accountable for anything - but, once again, nobody has come up with any solid proof or evidence for or against what's happened. It's purely speculation. The evidence I have seen very firmly posits that TasPorts did not have the responsibilities or the error to be thrown at it that has been done by both politics and media.

CHAIR - Last one and then we'll go to the Greens.

Ms DOW - Just going to say, though, obviously that EMRS polling is quite compelling in the fact that it suggests that that's the public sentiment. Many people have expressed their opinion around it not passing the pub test. Surely, as the responsible minister you can see why people want TasPorts held accountable.

Mr VINCENT - It's not a matter of 'want' to have anybody responsible. They need to know the facts and details. That's probably still going to come out a lot more over in recent times as we find out more. Like I've said continuously, I have seen no evidence that points the finger at any individual in TasPorts, other than an overall assumption that somebody has to be blamed in TasPorts as well as other GBEs. I have not seen that evidence as a minister before me at this stage.

Ms BURNET - Minister, on page 45 of the TasPorts annual report, there's the consultancy summary. I note that Paxon Consulting Group was paid \$99,800, and I'm interested to know what the project was for.

Mr VINCENT - I will just ask the CEO, do you need to take some advice on that?

Mr DONALD - I'll have to take some advice on that one.

Ms BURNET - Okay, I'll go to my next question. Paxon Consulting Group is one of five consultants listed in Infrastructure Tasmania's project assurance framework. Were they used in any oversight of the Devonport QuayLink project, and is this framework likely to be utilised when the AAD (Australian Antarctic Division) berth 6 is undertaken?

Mr VINCENT - I will refer to the CEO.

Mr DONALD - I'll have to take advice in relation just to familiarise myself with what Paxon have done for us. I can confirm that we will absolutely be implementing a gateway review for the Macquarie Wharf 6 project.

Ms BURNET - So, that's the gateway - that's what you mean by the gateway review?

Mr DONALD - The gateway review.

Ms BURNET - Okay, thank you.

Mr DONALD - That may or may not be with Paxon.

Ms BURNET - But one of the other four consultants listed?

Mr DONALD - Listed by?

Ms BURNET - By the Tasmanian Project Assurance Framework, which is part of State Growth.

Mr DONALD - That's something that we'll take advice on and our board will help us to determine.

Ms BURNET - Can I have that taken on notice, please?

Mr DONALD - Certainly.

Mr FAIRS - Minister, earlier on you were talking about cruise ships and the fact that there's a cruise ship in Hobart nearly every day. Can you provide details on the number of cruise ships expected in Tasmania this summer, the likely number of passengers these cruise ships carry, and also what TasPorts does to enhance the experience of cruise ship visitors to our state?

Mr VINCENT - Yes. That's a market I probably didn't appreciate before coming into politics, looking out the window of cruise ships every day and how many people are wandering around in Hobart, that's for sure. We are expecting 131 into the state. There is a policy with TasPorts that we only accept two into Hobart at any one time to prevent congestion. That also relates to how many people we can take around the streets and move around on the tourism side of things as well, and is sensible to do it.

They're also heading over to King Island; a couple are calling in there, as well as Port Arthur. Burnie also has its fair share coming in there now and that's an increasing number, with an estimated 322,000 people coming ashore with the potential to spend money. It's quite interesting that we don't actually measure the staff and crew and provisions that go into these ships as well when they top up and do things like that. I think there'll be 16 in Burnie and two at Bell Bay, other than chip boats and tourist boats, so in your area as well, Mr Fairs.

It's become a vital part of what we do and it's a vital part of a lot of the tourism around Hobart, Burnie and the other places that they call in to. I've heard people at Port Arthur be very complimentary about the extra fresh dollars coming into the state down there. I would take it that each area of the state would feel the confidence of that, and certainly Burnie. It's a major thing here for Hobart, so I hope it continues. Certainly from the feedback I receive from tourism, it will continue, and there is a solid number of boats continuing to want to come into Tasmanian ports.

Mr GARLAND - I spent a lot of time working at Burnie Port quite a while ago. I believe there's a number of issues the port has. I was just wondering if you could outline what they are and what steps are being taken to remediate, and the cost involved?

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Mr VINCENT - I'm certainly not aware of the costs. On my two visits there over recent weeks, my knowledge is growing, but I will handball to the CEO for a better summary of what needs to happen on one side or the other, because that includes renewal of tugs and some of the equipment needed there to complement the wharves as well.

Mr DONALD - Thank you, minister. I might start with Burnie berth 4. Some time ago we identified through a proactive asset condition survey that there was some scouring identified beneath the blockwork wall. The blockwork wall was, as we understand it, constructed in 1860 and is made up of significantly large concrete blocks that are put together in a lattice-style structure and have grooves and keys in them, so they are interlocked.

Essentially, we identified through our condition inspection that there was a section of the wharf around where one of the thrusters from the vessel that Strait Link operates come in and there was some undermining. We've been working through a series of assessments from engineering consultants and construction contractors to affect some repair works in that regard.

As part of that assessment that was undertaken by the engineering consultants, I think it's fair to say given the age of the structure and the inability to exactly completely understand what is going on beneath the wharf structure itself, we conservatively introduced load restrictions, so 20 metres from the face of the wharf back, we have load restrictions in place in cooperation with our operator Strait Link. That's important because we want to make sure that essentially everyone is safe.

In addition to that, we've introduced a number of monitoring devices and processes. We've undertaken detailed survey, so we're monitoring any movement, we're monitoring vibration, we're monitoring water table depths, and through visual inspections, to identify any cracking. All monitoring that has been undertaken to date has resulted in no areas of concern, from our perspective. There has been no movement. However, importantly, we're now working through a process with construction contractors who will affect some additional works to provide strength to the wharf that will enable us to drive some piles to alleviate all of our concerns. That will then further enable us to remove the load restriction from berth 4.

Importantly, as part of that consideration, we are currently completing some works at berth 5. Berth 5 is currently used as a berth for the TasRail ship loader, also fuel imports, and from time to time, cruise ships. We have identified that there is an opportunity to use berth 5 as a contingency berth, not just for Strait Link but for some of our other customers, particularly around Devonport and Bell Bay. The upgrade of berth 5 will be completed within the coming weeks and that will enable that berth to be called upon in the event that one of our other berths is considered to be out of service for a period of time. Of course, our focus and priority is to conduct all of the works, particularly around berth 4, in a manner that doesn't enable us to need berth 5 to be used.

The minister also indicated that there's some other works we're planning to do around the provision of tug berths and we are absolutely committed to doing that. The current tug berth facility is at the end of the Strait Link berth. We're currently working through a range of different options that will enable an improvement to the provision of berthing facilities for our tugs, and importantly, to continue to enable our staff the opportunity for safe access at varying degrees of tide and wind conditions.

At the moment, we have in place some restrictions that prevent them from accessing the tugs when the wave heights in a particular swell direction get to a particular limit. All of that is because of the way in which the tugs move up and down with the tides. I'm sure the harbour master would be far more articulate at describing the movement of vessels with pitch and roll, so to speak, but I think that's a really important project investment, and as we continue to move forward in a transparent manner around our infrastructure investment, I think that's one that the committee and the public should expect to see moving forward in our future plans.

Mr VINCENT - I will add another ministerial insight. It's quite fascinating. You'll see tomorrow with TasRail the enormous increase in the number of containers going onto rail and the technology they are bringing around. It was pretty obvious at most of the ports that we have to think differently to how we did 20 years ago with rail. The carbon footprint of rail is hugely less than having trucks on the road. Even a lot of the truck operators now are acknowledging and putting freight onto rail, but it's driving a different configuration of how you move containers on the wharf.

In discussions with the CEO of the Port of Melbourne, where our vessels dock over there and where they want to move us to, the technology around container movements is forcing some of the freight companies to have sites away from the wharf for controlling their containers and then bring them on just for when the ship's there, or vice versa, so there is a lot of change in the way thinking is needed on how we handle that freight around our sites and nearby to minimise truck movements on the wharf and through our major places, because they are sitting right in the middle of Hobart, Devonport and Burnie. It was quite fascinating to hear the CEO of Melbourne talk about exactly the same thing over there as well.

Mr DONALD - If I may add, just to complete the answer to your question, that we're also in the early stages of planning for some additional reclamation in around Burnie, which will enable greater area of port to be available. Picking up some of the points that the minister has made around the need for additional laydown areas, that could be for containers, it could be for logs, it could also be to support the renewables sector.

Mr O'BYRNE - Following on from my line of questioning before, and the apparent sort of - I wouldn't say indifference - but saying that fuelling issues for one of your major, one of the most important organisations in Tasmania's economy is a matter for them, not you - I'm gobsmacked that it wouldn't be your responsibility to at least play a role at the table to try and fix that. There was a parliamentary inquiry and the upper House found that, and I quote:

TasPorts exhibits an adversarial approach to dealing with some customers and other stakeholders.

That's consistent with feedback that I receive. What do you say about that?

Mr VINCENT - Do you want to answer that, or Anthony?

Mr DONALD - I think there's some national tensions that exist between us and some of our customers, particularly when we're attempting to move them off commercial agreements that we would say are uneconomic. I don't believe that we are adversarial. I'm open to feedback from any customers who would like to provide that detailed feedback and particular examples of any areas that were perceived to be adversarial in our recent customer survey. One of the highlights from that was that our customers feel that respect is a highlight of our interactions.

I do think that one of the things that is challenging for TasPorts and our team is the shift of some of the commercial agreements off what was put in place with the best intentions by previous ports prior to the amalgamation of TasPorts back in 2006. Some of those commercial arrangements are far from economic. Shifting them to a commercial position where they are economic, we are talking about significant increases. They're not easy conversations to have. We are having those conversations in the most respectful way that we can. We are attempting to provide line of sight for our customers around our intentions and plans. We are respectful of confidentiality, but also we appreciate that we're acting in the interests of Tasmania.

Mr O'BYRNE - I suppose the definition of 'economic' is in the eye of the beholder. Why are we not getting these criticisms for TasRail? They deal with similar clients, similar kind of arrangements. Why is everyone saying that TasPorts is so difficult to deal with?

Mr VINCENT - I don't think I can answer the question.

Mr O'BYRNE - I'll give you it this year, next year -

Mr DONALD - I don't believe that everyone is saying that. I believe that there are a number of customers that do assert that. I acknowledge that. It is an area of focus of our team to continue to have respectful discussions and interactions with those customers.

Mr O'BYRNE - Forgive me for this clumsy -

DEPUTY CHAIR - Sorry, we'll go to Ms Dow, now.

Mr O'BYRNE - Right.

Ms DOW - My question is to the minister. You've spoken a lot about today about understanding the facts, and I think what you're implying is that you don't think that we understand the facts very well on this side of the table. But do you think that the Premier understands the facts of the situation, minister?

Mr VINCENT - I would say that he does, because he's had to wear the brunt of a lot of questions, a lot of media. For my part, he has done an excellent job in answering questions to the very best of his knowledge. I'm only learning these things over the last four and a half weeks. It's been a massive learning curve, which I don't shirk or walk away from in any shape or form. Every day we pick up on something different. That's about the only way I could answer the question.

Ms DOW - The Premier has said that he wants to end the blame game. You have said today that you don't think that anyone in TasPorts needs to be held accountable. Why then did the Premier cancel the bonuses of TasPorts executives?

Mr VINCENT - I have no knowledge of the Premier's thought pattern about that. I think it's a fact of the focus on GBEs as a whole. Just to correct your previous comment, I've reiterated that I have seen no evidence whatsoever to point a blame game at individuals within TasPorts.

The systems like the chair has talked about of where it's triggered for a board to escalate something or go behind the shareholder minister is a governance issue, but it's fairly hard to go

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past to an individual on those sorts of things when the decision of a board is final, and that's what you go ahead with. The chair does have discretion but, once again, I haven't seen any evidence that I can act on at this stage. I've been focusing on making sure it's still running for the best of Tasmania.

Ms DOW - Given the Premier's call to not pay those bonuses to those executives, do you think that that's fair? Would you seek to overrule that, as the minister, if you think that nobody needs to be held accountable in TasPorts?

Mr VINCENT - The financials that we're dealing with at the moment are for the 2023-24 year. I will be working with the board on the financials for the 2024-25 year and those decisions will be made with discussion at that appropriate time.

Ms DOW - It's my understanding that bonuses have been paid in the last financial year, which is reflected in the annual report. My understanding is that it is for 2024-25. Is it your understanding that the Premier's cancelled those bonuses?

Mr VINCENT - No, I haven't got knowledge of that, sorry. I could check on that and come back to you, but I haven't at this point in time.

Ms BURNET - The oversights are obviously very important with any of public monies. I go back to the Department of State Growth report into berths for the new *Spirit of Tasmania* vessels and the project oversight and steering committee is discussed, and membership includes the director of project review and assurance. I've got a couple of questions coming out of that.

Is the committee reporting to the minister, to you, on progress, including on the project status, any slippage, the status of design drawings for construction, tender packages, supplier selection, supplier delivery dates, tender price and physical construction progress?

Mr VINCENT - Sorry, that was on the TT-Line?

Ms BURNET - No, that's on the berths for the *Spirit of Tasmania* vessels.

Mr VINCENT - That is a matter for the transport minister, Mr Abetz.

Ms BURNET - Okay, all right. Just in relation, then, with the significant problems associated with delivery of the ferries and port infrastructure, will the project oversight and steering committee of independent assessors be implemented with delivery of projects associated with the Northern Access Road and Hobart berth 6 project delivery?

Mr VINCENT - The berth 6 comes under TasPorts, but the rest of that development comes under Macquarie Point, which is under the minister, Mr Abetz.

Ms BURNET - Well, the Northern Access Road is clearly for access to the port.

Mr VINCENT - Quite correct, but it hasn't come under - because the plans haven't got to that point with the Minister for Transport, they are not before me at this point in time.

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Ms BURNET - But as an Infrastructure minister, surely you would want the best oversight - that high level oversight and reporting, so that you have a hands-on approach to this project management?

Mr VINCENT - Yes, and all projects of that size will go through a gateway assurance program now and, at some point, when they are developed, I'm sure that my department will be involved in that as well.

Ms BURNET - Well, it'd be good to see that list of gateway projects and projects going through that project oversight and steering committee, if we can take that on notice too, minister?

Mr VINCENT - Certainly.

Mrs BESWICK - Minister, more for the interim chair, of the relationships between TT-Line and TasPorts. Given that TT-Line did manage to develop the port in Geelong, on time and budget, do you think that there is some sort of correlation or some issue between the relationship between yourselves and TT-Line?

Ms DOYLE - I think that the CEO can probably answer that with more detail.

Mrs BESWICK - I thought maybe your experience on the board -

Ms DOYLE - My experience on the board is that our day-to-day working relationship with TT-Line was very good and is very good. I certainly have a good relationship with the interim chair of TT-Line. Obviously, I didn't have a relationship with the previous one, because I wasn't interim chair at the time. Anthony, would you like to answer that in a little bit more detail, with reference to Geelong?

Mr DONALD - From my understanding- it's perhaps a question for TT-Line, but my understanding is that the Port of Geelong elected to conduct all of the works, and whether or not that was part of a commercial negotiation where there was options provided, I'm certainly not privy to. But, the Port of Geelong, as I understand it, delivered all of the infrastructure works on their behalf. That was, again, what prompted the offer from our chair to provide a turnkey solution to TT-Line as an option, which, again, they rejected.

Mr O'BYRNE - So, there's an Upper House committee that has made an observation about your relationship with your customers. You don't accept any responsibility for the Devonport issue. The Prime Minister effectively said, 'Thankful that the Premier had intervened to save the Antarctic gateway in Tassie.' If you excuse the comparison, but are you familiar with the Iraqi general during the Iraqi second war when he's standing up to a media conference saying, 'Baghdad is safe, we are pushing back the Americans', as the American tanks are rolling into Baghdad. Are you familiar with that?

Do you, at any stage, accept that you're not doing everything right? Because it seems to me, I've provided you with questions and evidence - from other people, not just me - to say that things aren't going well. You have got poor relationships. You seem to say that the fuelling issue was not really your problem, but the Antarctic gateway is a Tasmanian iconic institution which could have been lost. Can you understand why people are getting grumpy?

Sorry - through you, minister.

Mr VINCENT - Thank you. CEO?

Mr DONALD - I certainly didn't - I want to make it really clear that we don't profess to be perfect. We don't have - our role and function and relationship with our customers is a work in progress. We will continue to focus on improved relationships and improved outcomes.

The number of times five or six years ago that our organisation interfaced with customers, you could probably count on one hand over the course of a month - certainly from a commercial perspective. Now, we're having commercial discussions and interactions with customers probably 10 to 15 a day, I would say. The number of staff that we have allocated providing support on those relationships continues to grow, and it's something that we're continuing to look at.

I don't sit here pretending or asserting that we're perfect. What my response was in relation to your comments specifically, that were quite generalistic.

Mr O'BYRNE - How do you explain the Prime Minister's comments at the press conference about his intervention that this would not have happened had the Premier intervened - which, as you know, is rare? Through you, minister.

Mr DONALD - That's a matter for the Prime Minister. I maintain that -

Mr O'BYRNE - It's not a matter for you? It's not a matter for TasPorts that a prime minister is saying that publicly?

Mr DONALD - A matter for us was to act in the best interest of Tasmania. We were very clear around the commercial outcome that we required in order for us to debt fund the infrastructure upgrades. We took a particular perspective supported by our board on that, which was reflective of the counterparty being the federal government - relatively low risk, I would say - and the community should expect that the commercial proposal that we proposed was reflective of that. What -

Mr O'BYRNE - Even if costs us the gateway?

Mr DONALD - What I will share is that apparent to me was that the individuals and the parties that we were negotiating with did not have access to a funding source or a budget allocation. It's quite difficult to negotiate terms and conditions with a counter-party who doesn't have a funding source or budget.

After the departure of the former CEO and the presence of Mr Sean Sullivan, and then subsequent to Sean, the appointment of Ms Emma Campbell, we immediately saw a positive improvement to the relationship and the progress we were making. Through the announcement jointly of the Prime Minister and the Premier that the funding is being made available and it largely reflects the number we've had on the table for over four to five years, that gives me comfort and confidence that what we've done is in the best interests of Tasmania. They were difficult, highly complex interactions, particularly at a political level, but I'm the CEO of a government-owned corporation. It's not for me to form views on the politics around that.

Mr VINCENT - Mr O'Byrne made a comment about next year. I might say that I'm more than happy next year to answer some of those questions. It's a point that has been raised at other committee hearings and that will be one of the things I'll be looking through and working on with both the board and the CEO, so by the time we get to this point next year, I'll be more than happy to sit here and answer a lot of those questions you have.

Mr O'BYRNE - Hopefully, you won't need to.

Mr FAIRS - Minister, I want to focus on Bell Bay in my electorate again. An opportunity has been identified for Bell Bay to become a hub for the growing offshore wind industry. Particularly with recent news that Victorian development to support offshore wind generation projects has been delayed, can you outline what TasPorts is doing to ensure Bell Bay can play a significant role in the offshore wind industry? We've obviously heard about the woodchips and ship loader, but what else?

Mr VINCENT - This will be another one of those ministerial moments, I think, Chair. I found it quite fascinating going to Bell Bay to look at the potential of what could be done with that deepwater port, especially having done a tour with the energy matters committee which Mr Garland was part of on that trip, and seeing right around the state the potential for wind farms and Bass Strait.

The size of the blades is getting to a stage now where it's just massive and quite incredible to comprehend as a normal person, unless you're standing alongside of them. After we'd finished with the ship loader we did a tour around where land would have to be reclaimed and tidied up to take the length of the blades and have the area for that to happen. It was quite fascinating that other associated industries to do with wind and solar farms potentially could also use that Bell Bay industrial area and port facility.

I see those discussions progressing. You have to wait till the projects get to a funded stage to be able to actually commit money and finalise that, but I was quite impressed that TasPorts had very well developed thought patterns and initial planning on what would be available and how much land they needed for that sort of thing and how it affects other tenants on the site, and even the infrastructure that was needed around that area to be able to cope with that development to bring that business to Tasmania. That also includes decommissioning of some of the Bass Strait oil and gas facilities that need to happen somewhere, so there's a lot of different potential businesses that could fit with Bell Bay.

You're in a most exciting electorate up there. It's fantastic to see those potential projects possibly being talked about. There's a lot of movement in that area, so I expect over the next couple years we'll see a lot more news on that.

Ms DOW - Minister, TasPorts executives were paid \$190,000 in bonuses last financial year, the largest allocation of bonuses in the last 10 years. In a year in which the company was embroiled in the biggest infrastructure stuff-up in the state's history, how can you justify that?

Mr VINCENT - I am not fully across why those bonuses were paid or what was behind the incentives for that to be allowed to be paid. I'd have to take that question on notice for more detail because I'm not familiar with that.

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Ms DOW - My next question is to the interim chair. Can you confirm that on 30 October, Mr Donald received a substantial increase in his salary, which was backdated to 1 July 2024?

Ms DOYLE - I'd have to get across the detail of that. Is this in relation to his contract renewal?

Ms DOW - In part, yes.

Ms DOYLE - What I can tell you is that his contract was renewed with a circa 4 per cent increase, which is less than CPI and well below market in the private sector. We follow process for remuneration. Remuneration is reviewed by Treasury. His reappointment was also approved by Cabinet and we have a Mercer review that underpins those calculations as further evidence of where that falls. My understanding of CEO remuneration and his contract is that we followed due process.

Ms DOW - Okay. Given he was only just reappointed for a new term in April this year, how does it make sense to give him a massive salary increase just months later in the midst of what we know now to be the biggest infrastructure stuff-up in Tasmania's history?

Ms DOYLE - The board has full confidence in the CEO. TasPorts is a complex business. It's important to have good people in these roles. Mr Donald is a very good CEO. This is not something I really want to get into in this committee, but we're paying him less than he would be receiving in the private sector. We follow the government process in terms of determining remuneration.

Ms BURNET - My question goes to something about environmental regulation. It was reported this week, minister, that there was a spillage of fuel at the Hobart wharf, which was contained. In the annual report on page 50, there's a section about environmental regulation and it was said that there were four statutory breaches on TasPorts land and managed waters. One of the spillages was PFAS, only a fairly small amount, but that occurred at the Port of Devonport. I'm interested to know how that was managed and what sort of monitoring after the event you might be doing.

Mr VINCENT - That's an operational matter so I will refer that to the CEO, but it's of interest. I noticed the spill that we've talked about and the wharf has talked about. It was around 10,000 litres and ended up being a venting problem of unknown amount of less than 100 litres and I think they're examining that at the moment because there were other fuel vessels near it that didn't vent the same way with the expansion and fuel automatically. It was quite a detailed summary of that the other morning, but I'm not familiar with the other matters so I will pass over to the CEO.

Mr DONALD - From my understanding, it was a relatively minor spill. However, I'd like to take on notice what we put in place in response and as a result for monitoring.

Ms BURNET - For the PFAS?

Mr DONALD - Yes.

Ms BURNET - Thank you. My second question is about standards at Bell Bay and ensuring they've been upheld. Who has the oversight in relation to environmental pollution

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from chemical storage and movements at Bell Bay? This is a concern raised by people who live on the other side of the river.

Mr DONALD - That would be a combination of TasPorts and our tenants and our operators or customers.

Ms BURNET - No breaches at this point?

Mr DONALD - I'm not aware of any breaches and I'd welcome any direct interactions or through yourself the opportunity to alleviate or to investigate any concerns anyone might have.

Mr GARLAND - Did I hear you say previously that all of our ports in the state are only being used 25 per cent of the time?

Mr DONALD - Around 27 per cent is where the berth utilisation sits.

Mr GARLAND - You'd be aware we've got a couple of *Spirits* over the other side of the world? Couldn't we possibly find berths for them here given that we're only using these berths 27 per cent of the time?

Mr DONALD - It's a great question and we've considered locations where that could be possible with infrastructure upgrades. That's been provided through to the Department of State Growth and the various oversight committees. It is challenging - the new *Spirits* are quite unique in terms of their design and particularly around the loading and unloading and fender design arrangements.

Mr O'BYRNE - In relation to Devonport, obviously it's predominantly TT-Line's responsibility and you've done the land side stuff. Have you completed -

Mr DONALD - We've done the water side.

Mr O'BYRNE - Well, just in terms of the land side in your property in your area, have you done a traffic management plan for the new area of berth 3? Has that been completed?

Mr DONALD - That's something that has been completed by TasPorts, however there are ongoing interactions between the Devonport council and TT-Line around traffic management design, which is a current topic of consideration.

Mr O'BYRNE - Have you submitted that plan?

Mr DONALD - That's for TT-Line to submit, and for us to ensure that that's done to the satisfaction of the council.

Mr O'BYRNE - What is your role in that? Because I'm just mindful of previous answers in terms of -

Mr DONALD - In accordance with the agreement for lease, there are a number of obligations TT-Line need to satisfy. Commercially or contractually, they've got an obligation

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to submit and gain approval from various authorities to then effect the construction of the designed infrastructure.

Mr O'BYRNE - Is that with council now?

Mr DONALD - I'd have to double check. I'd have to take that specific question on notice. I know that there has been a period of consultation and interactions on that topic.

Ms DOW - I have another question to the interim chair. Last year, Mr Donald received \$48,000 in short-term incentive payments, as detailed in the annual report. Is that the component that has now been cancelled for the 2024-25 financial year? If not, what part of Mr Donald's remunerations was cancelled by the Premier after he issued the directive that no executives would be paid a bonus at TasPorts?

Ms DOYLE - I'll have to take that question on notice. I don't have those figures in front of me.

Ms DOW - Okay. My second question is, has the board sought to adjust or restructure Mr Donald's remuneration since the Premier's statement that TasPorts executives would not receive bonuses? If so, can you detail how to the committee, please?

Ms DOYLE - Again, I'll take that on notice.

Ms BURNET - Minister, this follows on from Mr Garland's question. Has TasPorts been asked to quote or bid for berthing *Spirits* in any of their ports?

Mr VINCENT - To my knowledge, until recently, no - unless that has changed in the last week.

Ms BURNET - They haven't been asked to quote or bid?

Mr DONALD - No, we haven't. I will add that I did offer the former CEO of TT-Line the opportunity to provide further details required, specifically around the port of Hobart, that would have enabled us to provide a quotation or a proposal, and that communication was left unresponded to.

Ms BURNET - I see.

Mr DONALD - I will just further add that he elected to quote our schedule of port charges in the Public Accounts Committee as opposed to responding simply to my email.

Ms BURNET - Okay. In relation to the tripartite -

Mr DONALD - Sorry, I'm happy to table that through the chair if anyone would like to -

Ms BURNET - Thank you. Just in relation to the tripartite arrangement about environmental regulation that TasPorts has with MAST (Marine and Safety Tasmania) and EPA. I'm just curious to know whether that arrangement, which I think was coming up for renewal in September, has been renewed, and whether that arrangement is having any sort of review. It just seems to me that TasPorts regulating their own work is somewhat problematic.

Mr VINCENT - You're probably correct in most of that. Something that TasPorts has been very open about is the conflict of that sort of thing. I had discussions before we came in here briefly and yesterday also with what needs to happen in the first part of next year to separate up those responsibilities. The contract has been extended to the end of the financial year through to September next year while we work through with MAST.

I'll just read some of this so I get these points right, because it is relevant:

TasPorts undertakes marine regulatory functions on behalf of Marine and Safety Tasmania (MAST) and the EPA through a deed of agreement between the three entities. Under the MAST deed, certain regulatory functions are delegated by MAST and the EPA to TasPorts.

A lot of that's around quick response.

In June 2024, TasPorts declined to further extend the MAST deed, citing concerns with regard to potential conflict of interest between commercial and regulatory functions. MAST TasPorts and EPA support the transfer of responsibility for the harbour master and vessel traffic's service to MAST. These roles are central to the delivery of regulatory functions, which are the responsibility of MAST. The government, through the Department of State Growth, has worked with TasPorts, MAST and the EPA to reassess the allocation of these regulatory functions, and TasPorts has sought, and MAST and EPA have now agreed, to extend the MAST deed to mid-2025 to allow the transitional responsibilities to occur.

Through the Treasurer, we have offered a financial indemnity to TasPorts covering its exercise of regulatory functions on behalf of MAST while the existing deed is extended through to 30 September 2025. It should be noted that TasPorts has already indemnified the Crown for the functions it undertakes on behalf of the EPA. The deed has been in place for almost 20 years, and over that time there has been considerable change in the management of port waters around Australia.

It is something we'll be working on, and the relevant ministers and myself are very keen to make sure that we have discussions over the next few weeks so that we move into next year with that moving ahead pretty quickly.

Mrs BESWICK - Minister, obviously, Devonport Airport sits on its own little pocket in TasPorts. There is a plan mentioned in the annual report of its plan for strategy for the future, but how does TasPorts actually fit that into their portfolio in a comfortable way, and is it really supposed to be there?

Mr VINCENT - My goodness gracious, I have to go back to my childhood in Devonport to answer that question. It's been a mismatch for a lot of years, but it fits in some ways comfortably, in other ways awkwardly. My belief is that that will be one of the questions that we will be dealing with through the review of the GBEs.

Certainly, the airport, as with all airports around the state, is where the greatest volume of people come into the state. We know how quickly Hobart's growing, but Launceston and Devonport are very similar. They provide pretty important services that are complementary to what we do with the ships over to the islands as well.

Sometimes it's a good thing; sometimes it's an awkward thing. I think the CEO actually has some staff at the moment that have a big background in airports as well.

Mr DONALD - We do have a number of staff who have experience in airports, including myself. I spent six years at Melbourne Airport. Aviation and marine ports are regulated environments. Clearly there are some differences; there are also some synergies. Having a keen eye for the importance around operations 365 days a year, as an example, where we operate. We don't close, both from an airport perspective and a port perspective. We're open to going through the process of the review as indicated by the minister.

Ms DOW - Are you going to sell the airport at Devonport?

Mr DONALD - It's not currently listed for consideration.

Mr FAIRS - Following on from Mrs Beswick's question, in regard to Devonport Airport. The usage of the airport and plans, obviously, and also future expansion plans, can you elaborate more on that please?

Mr VINCENT - Yes. I have to read a little bit on that one because the numbers are quite impressive on this. Devonport Airport is a terrific asset for TasPorts. It gives me great pleasure to report, especially seeing I was that Devonport boy with a heart still there, that it managed 3758 commercial passenger flights during the past financial year, with 121,880, as I mentioned in my earlier talk, up on 119,000 from the previous year.

On top of that, only last week Devonport welcomed the return of Qantas' larger Q400 aircraft, underscoring commitment to regional connectivity, tourism, and business growth. The numbers are quite staggering. The Q400 offers 74 seats per flight, replacing the smaller Q300, and is expected to add the equivalent of about 18,000 more seats annually into Devonport between Devonport and Melbourne. There is a constant look at where Devonport needs to expand. It also supports a lot of air freight to King Island and Moorabbin Airport. That's another key part. The air freight does help minimise the price of seats for passengers.

With regards to future expansion, the Devonport Airport master plan 2030 was released in November 2022, providing a logistical and staged approach to future development. I'd say the future of the Devonport airport is fairly solid and still growing. It's good to see.

Mr O'BYRNE - I take it, from the last answer about the traffic plan, that it's still a work in motion, but I have put that on notice. What is the infrastructure upgrade required to accommodate the increase in freight tourism caravans in terms of the TasPorts responsibility? Is there any upgrade required in east Devonport for that to occur?

Mr DONALD - No, that's all part of TT-Line's scope of work.

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Mr O'BYRNE - Okay. And so there's no - I'm not sure if, minister, there are any state roads obligation in terms of an upgrade? Obviously, there's going to be a significant increase. What's the ask?

Mr DONALD - It's not something that I'm familiar with at the moment other than that when I was down there with the Premier recently, Paul Kirkwood who now is in charge of the project there at east Devonport, was reviewing that. So far, nothing has come back across my desk to look at what might need to happen in that area. It's under consideration at the moment, I guess.

Mr O'BYRNE - Is TasPorts aware of any upgrades that you believe should occur to accommodate safe passage and ease of movement in and out of the port?

Mr DONALD - No, other than we are aware that there's an interaction around the intersection design. The intersection design around - the intersection - so the entry and exit point of the terminal, and how that either impacts or doesn't impact on the local road network.

Mr O'BYRNE - Is that your land, or?

Mr DONALD - No, that's - well, it's our land, it's TT-Line's terminal infrastructure design. And so -

Ms DOW - My question is to the interim chair again. How many staff currently work from the Devonport office of TasPorts, and what percentage of the company's workforce is that?

Ms DOYLE - That's an operational matter.

Mr DONALD - I'll have to take that on notice to provide you with the specific number. I am happy to do that.

To clarify your question, is it the Formby Road office or Devonport in total that you're asking?

Ms DOW - Thank you. The Formby Road office. Through you, minister, to the CEO. Why is TasPorts no longer headquartered in Devonport? Who made the decision to relocate TasPorts to Launceston, and when?

Mr DONALD - As I recall, that decision was endorsed by the TasPorts board and approved by the shareholder minister.

Ms DOW - Who was that minister at the time?

Mr DONALD - I'd have to take that on notice. I can't recall; it was quite some time ago. Speculating, it was perhaps some five to six years ago when that decision was made.

The theory on that was that the head office was being relocated. The legal head office was Devonport, but the perception of the head office was that it was Hobart, because that was where the previous CEO resided. My location was encouraged to be Launceston, because there was a desire for the head office to relocate from Devonport legally, and from a perception

perspective, from Hobart to Launceston, because it was more central to all of the ports around the state.

Ms DOW - There was a decision taken quite a few years ago, though, to have the head office consolidated in Devonport, given the interest in the Devonport and Burnie ports and all of the economic activity associated with that out of the northwest of the state. Would you ever consider relocating the head office back to Devonport? Do you think that it having had been there would have allayed some of the issues that occurred with the *Spirit of Tasmania* vessel replacement project, and increased oversight over the project in Devonport?

Mr DONALD - Through you, minister. I don't believe that would have increased our oversight; I think our oversight of the project has been excellent. I don't foreshadow that we will plan to relocate the head office back to Devonport. I'm speculating, but I do broadly understand that a decision was taken back in 2006-2007 for the Devonport location to be the head office. I clearly wasn't here back then. Others perhaps were, but I'd be speculating as to what the basis for that decision was.

CHAIR - I'm going to move on to Ms Burnet. For those questions that were committed to being taken on notice, you will need to provide them in writing as well.

Ms BURNET - Yes, I will. Thank you.

My final question is in relation to workplace culture. In the annual report on page 20, it says that there's a lack of diversity, with 19 per cent of women in the workforce at TasPorts. In the Legislative Council report I've referred to previously, appendices (H) and (I) determine in a workplace survey that a third of those surveyed point out major flaws with the workplace culture. Clearly, there's a problem, so I'd like to know what is being put in place to address some of those issues.

Mr VINCENT - Thank you for that question. Having sat on that Legislative Council committee before changing ministries, I was aware of that. Also, I have been in close communication with my fellow MLC Ruth Forrest on that. It has been a point of several conversations.

I believe the CEO acknowledged it as something that could have been better in the past, but a lot of work has been done in recent years with the survey. You have to get to a benchmark with it all. I did read this out in response to the MLC report, but I am happy to report that the information given to me is that there is improvement in that area. Now that we have some idea of that, I would like to think that those surveys, on a regular basis, will address that.

There's also the more operational side of things, and closer activity. I will ask the CEO for some more detail, as I don't have that in front of me.

Mr DONALD - Thank you, minister. Before I do, I would like to correct an answer I gave earlier, if I may. The question was, when did the Chair tell minister Ferguson that I was aware? When did the Chair tell minister Ferguson that there was an issue associated with the *Spirits*? I think my answer was April 2023. I'm advised that it was May 2023. I thought it appropriate to correct that.

Our culture is something that's absolutely vital to me and something that I'm particularly passionate about. The survey that was conducted as referenced in the Leg-Co, was undertaken around two weeks after the departure of two much-loved executives from within the organisation. I did consider, at that point in time, whether or not it was the right thing to do to proceed with the engagement survey, given that I knew that our people were hurting as a result of the departure of two well-respected, loved individuals who had a significant contribution to our business, and came to the conclusion that that was more important than ever to test the temperature of our organisation and to get feedback from staff around how they are feeling.

Certainly, the results were not stellar; they were not great results. Certainly, we were expecting them to not be great, and in many ways they validated what we had observed and expected that the organisation was hurting. It was really important that we listen to our staff and that we then act on some of the feedback that we provided was around a need for an increase to visible leadership. There was a significant theme around our staff wanting to know and understand more broadly where they fitted in to the organisation from a corporate strategy perspective. That's something that we've focused on heavily and implemented divisional and departmental business planning processes that go to quite some detail in ensuring that there's a strong alignment between the organisation's vision, mission, strategic objectives and then how each of the divisions and then teams piece into that. Going down to the level of some of those actions in accordance with strategies being linked to individuals in annual performance goals and objectives.

More recently, we have implemented again, an engagement survey with the survey closing currently. I'm advised that the participation rate has increased, which I'm very pleased about. I look forward to reviewing the results and I'd be happy to share them with the committee. I would just like to add that I would be happy to share them with the committee, but I'll do so in a manner after, or reflecting the interactions that I'll have with our staff first. If I provide them earlier, then I request that they remain confidential.

CHAIR - There were three people during the delivery of berth 3, the HBV joint project. There was the COO, the project manager, and a CFO who resigned in a relatively short space of time. What do you think that says about the project and staff culture? Through you, minister.

Mr DONALD - I think they were all three different examples. One individual, and out of respect, I'm certainly not going to name names, and I'm going to attempt to provide a generalist response because those three individuals provided significant contribution to TasPorts.

One of them, their employment was terminated by myself. The second one was due to a resignation. The third one was a resignation following the appointment to another important project within the state. I think that was a demonstration of the development of that individual and some of the success that that individual has delivered being recognised by another organisation within the state.

CHAIR - Just before I go to Mr O'Byrne for the next question, the minister's indicated he's received some additional information.

Mr VINCENT - In relation to the traffic in East Devonport there, the Department of State Growth is progressing a traffic assessment across East Devonport, including the impact on the Devonport local road network and the impact on the state road network, specifically the

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Bass Highway. State Growth is working with Council and we'll be undertaking a site visit early in December, just to bring you up to speed there.

Mr O'BYRNE - We're lucky they're late then, aren't we? In looking at the consultancies, you've hired, it's around \$150,000. That's not an insignificant amount of money. How many months is that for, that engagement? Given where the brand of TasPorts is at, how's that working out?

Mr DONALD - I'm not sure if we can gauge -

Mr VINCENT - I'll ask the CEO to answer that, thanks.

Mr DONALD - I'm happy to look at the list in detail to identify who you might be referring to, but we don't have any PR activities being undertaken.

Mr O'BYRNE - McGregor & Associates.

Mr DONALD - Okay, so McGregor & Associates is providing support to our corporate affairs team for management of, you know, media interactions broadly, out of hours and on weekends. Some of our corporate affairs team have taken leave over periods of time, and McGregor & Associates has provided support for services during those periods. There's certainly no -

Mr O'BYRNE - It's PR, isn't it, though? That's the -

Mr DONALD - It's media - it's corporate affairs management.

Mr O'BYRNE - How many months have they been engaged?

Mr DONALD - I'm happy to take that on notice. I would say - I'm speculating - I would say six.

Mr O'BYRNE - \$150,000 for six months?

Mr DONALD - I'd have to double-check.

Mr O'BYRNE - All right. Do you want it on notice, or do you want to check?

Mr DONALD - I'll take that on notice.

Ms DOW - On that, then, is that going to be ongoing, that engagement with that consultant, if they're filling the void of staff vacancies and things?

Mr DONALD - That's something that we'll contemplate moving forward. It's certainly not a planned, ongoing engagement.

Ms DOW - I'm just asking again -

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Mr DONALD - But whether or not we continue to - I mean, McGregor & Associates provide a great service and have provided us with a great service. If we require support moving forward, I wouldn't hesitate to continue to -

Mr O'BYRNE - I'm not reflecting - I just want to be clear, I'm not reflecting on the company. It's a decision that you're engaged for a certain cost for a certain period of time. That's my question. Sorry.

Ms DOW - It's alright. Just further to that, you haven't really clearly articulated what the purpose of that engagement is for. Is it related to improving the public image of the company, given some of the issues over the last six months - the upper House inquiry, some of the findings around the way in which TasPorts conducts its business across Tasmania? Is that what it's for? Is it a bit of a PR exercise in improving the image of your executive and TasPorts?

Mr DONALD - Certainly some advice has been provided to me in that regard. I would say, 98 to 99 per cent of the work effort conducted by McGregor & Associates has been associated with day-to-day corporate affairs and media management.

Ms DOW - It's not the PR of the entity?

Mr DONALD - No.

Ms DOW - I just want to understand about the board, earlier on, the interim chair and I think the minister made reference to a number of changes across the board. Have there been new board members appointed, or extensions of contracts? Could you outline to the committee those appointments, how long that tenure is and for whom that is, and, if these are Tasmanians, whether they're being replaced with Tasmanians on the board?

Ms DOYLE - Look, it's an excellent question, and one that I'm happy to answer. As you two have very generously provided questions on this topic this afternoon, and as it's been repeatedly in the media that the TasPorts board should be sacked, I actually asked Anthony to ask the team to see if they could identify how many times that request has been made. We determined that the task was too large to determine the number.

Ms DOW - Yeah, that's nice.

Mr O'BYRNE - You can find out how many times we ask you be sacked, but you can't answer questions on his remuneration? That's outrageous. Just outrageous.

Ms DOW - It is. It actually wasn't my question -

Ms DOYLE - So, would you like me to answer -

Ms DOW - My question was about the composition of your board, whether changes have been made, and whether Tasmanians are being replaced with Tasmanians.

Ms DOYLE - Yes, so if you'll let me finish the question, that would be very helpful. So, as a result of these continued attacks - and I've explained that from a governance perspective the board have reflected, and we do not know what we could have done differently to prevent the TT-Line issue. As a result of that, and let me explain the board composition. We have a

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board of five. So, on that board, we had a chair who was due to come to the end of his term. We had another director who was due to come to the end of her six-year term. We had two directors who were up for renewal and we have one who is up for renewal next year. So, we have two that are exiting. The two who were up for renewal made a decision to not request reappointment. So, of our board of five after the AGM, we will technically have a board of one.

Now, an announcement was made earlier today, I believe, minister, about the appointment of two directors. This was taken -

Ms DOW - Could you detail those?

Ms DOYLE - I'll let the minister do that in a moment. We had that process commence, I think, in July, because we knew that there were two directors that were coming to the end of their terms.

We now, and I've said there are two that did not seek reappointment. I am one of those. The reason that I'm not seeking reappointment is because it is very difficult to work in this environment. These sustained attacks when - I'm a female Tasmanian director who has no interest in continuing to work for the Tasmanian government.

Now, I put the question back to you -

CHAIR - I'm sorry, but it's not your role to put questions back, chair.

Ms DOYLE - Okay. No, thank you very much for correcting that. The question I have for myself is, what more could we have done? I don't have an answer to that and neither does the other director, who I might add is an experienced director with deep infrastructure experience. He brought a wealth of knowledge to the TasPorts board. He was the person who put in place the gateway review, who had regular meetings to make sure that we were on track and that we as a board were informed of our progress with our project. He was the one that also suggested the project integrator when we could see we had concerns about the TT-Line progress.

So, in terms of our board composition, you have the scalps that you have been chasing, but I do not believe the directors had any obligation to resign, and I'm personally disappointed because I thought, and lots of people when I arrived in Tasmania seven years ago said, 'You've got a great skill set, we hope that you'll contribute', so I'm disappointed that we've landed where we have.

Now, in terms of the new appointments, minister, would you like to answer that?

Mr VINCENT - Thank you. Yes, you can see the emotion and the passion involved here, but a separate issue with me being the incoming minister to deal with and there has been a lot of work being done with TT-Line and TasPorts boards with recruiting agencies and with a few other boards.

With the situation developing pretty quickly with TasPorts, advice around the table was that we needed to have some more ports experience on, and we have just appointed yesterday a gentleman from Western Australia who's been highly regarded through Ports Australia with

that knowledge to support the board in some of the things going forward and also a local person, so at this stage it's that.

We reviewed some of the applications for all the different boards that we're running at the moment, mainly TT-Line, and we were very impressed by the agency that had handled that. The list was quite comprehensive. There are a couple of people there that we are continuing to have discussions with, but almost immediately over the next few weeks before Christmas, it may well be, virtually imminently we're going back out to market again seeking three more important appointments, including a chair, so that's developing fairly rapidly at the moment.

Of course, the priority is, as long as the skillsets are there, we will always look at the Tasmanian side of things, but with some of these GBEs, you need to constantly look at who the best person is with the knowledge base and the skillset and the skills matrix that's going to fit to make it work. The gentleman that we've put on from Western Australia is highly regarded in the ports industry, so we think he's a valuable asset to the board at this stage. That will be developing pretty quickly during December and January.

Ms DOW - Do you have a timeframe, minister, for the appointment of a new chair?

Mr VINCENT - No. Ms Doyle has agreed to stay in the position, so we have that stability to the point we get it. We thought we may have had somebody in this present process, but that hasn't quite worked out that way, so we're just looking a little bit further before we make that decision. We don't want to jump too quick; we just want to make sure we cover our bases as best as we possibly can.

Ms DOW - Just to be clear then, your tenure was until the end of July. Is that right?

Ms DOYLE - No, May. The end of my first term is really at the AGM, whenever that occurs. I have agreed on request by the minister to continue in the capacity as chair. As you can imagine, when you have a board that was once five and is down to one, it's good to have some continuity. I'm very happy for TasPorts and I am very passionate about TasPorts. I think it's a fantastic company and I want to see the continuity continue and to help those directors transition so that we can make sure there's a good transfer of information. I'm happy to do that notwithstanding the conditions which I've been subject to.

Mr VINCENT - I might also add there that Cabinet has supported taking it from a five-person to a seven-person board for the next few years because of the level of expertise needed with some of the projects. We are looking to, if necessary, and the candidates come forward - I felt that with five, in the present environment and the number of projects that we're looking at, whether it is Antarctic or Burnie or Bell Bay, the board needed strengthening in at least the short term. We are looking for those skill sets that will provide that background for TasPorts to continue with that growth.

Ms BURNET - I agree with the acting chair that having that continuity is really important in boards and any sort of governance structure, particularly when you're going through issues, so I want to support you in in that situation. The former chair had a background in ports but also in the privatisation of government businesses. I just want to make sure that that's something that you rule out, looking specifically at that skill set, regarding privatisation in any future chair or board members?

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Mr VINCENT - I'm certainly not familiar with any move to bring privatisation onto the board for that purpose. That hasn't been part of any discussions I've had.

Ms BURNET - It's something that's always in the back of my mind in relation to our GBEs and SOCs.

Mr VINCENT - We should acknowledge that with the review of GBEs, everything is being discussed, but so is strengthening Tasmania by keeping control of vital service industries into Tasmania. It certainly hasn't been a discussion that I've had with anybody at this point in time.

Ms BURNET - Minister, there was an announcement recently about a potential merger of TasRail, TT-Line and TasPorts. Do you think that that is something that would be a good idea given that we are looking at significant governance issues and a review of a governance framework?

Mr VINCENT - It's very important that a review takes in every aspect of business, including the way shareholder ministers interact with the GBEs. I don't think it's appropriate for me to make my comments on that while that is still out in the public arena. I wouldn't like to influence things either way there, but there are parts of the businesses of the three GBEs you mentioned that are similar. There are parts that are competitive. We will see how that develops once the information comes in.

Ms BURNET - After the governance framework is considered?

Mr VINCENT - Correct.

Ms BURNET - It wouldn't be any anytime soon?

Mr VINCENT - No, there's a timeline that we'll be working through to consider those submissions. Anything like that would take a fair while to develop and happen, but I think we just have to wait for that review to be conducted.

Mr O'BYRNE - As a former Infrastructure minister, TasPorts is an iconic Tasmanian company. It is crucially important to the health and wellbeing of our economy. As an island state, without a functioning and professional TasPorts organisation, we are in a world of trouble. This is a government business enterprise. Here all people on boards are remunerated appropriately for that, and they are in the full knowledge of that when they accept the offer to take on a position on the board.

We, as a committee, and as politicians representing the people of our state, have a legitimate right to ask questions if there are serious questions about the governance of a government business enterprise.

I want to put on record that I do not disrespect you as an individual, but I have a right to ask a question if I feel that you, as a part of a board, may have let down the Tasmanian community. I've asked a series of questions about the actions of the previous chair, some of which you are aware of, some of which you are clearly not aware of. I do not dismiss it as a small thing that you have done, stepping into the acting role. I want to acknowledge that and

put that on the record that I do respect your role, but this is such an important organisation for Tasmania.

There are a series of issues that have confronted Tasmania in a number of ports over a period of time. In the private sector, there are shareholder meetings where these things become a lot more brutal than what you've got here. I would say to you in a broad question, it is important for TasPorts to be open and transparent and respond to legitimate questions about governance.

Ms DOYLE - Thank you for the question. I appreciate the process and I fully support the process, if that's where the question is going. I think it's important, absolutely. The criticality of TasPorts is not misunderstood by the executive or by directors, and I am answering the questions to the best of my ability. I appreciate that I may not be answering them to the extent to which you would like, but I'm not holding back any information; I'm trying to contribute as much as I can.

There are a number of improvements that TasPorts are working on at any given time. From a board perspective, we have a complex business that is so critical to the state. We are addressing issues like culture, customers, maintenance, future infrastructure projects. The piece of work that Mr Donald referred to earlier about developing a framework to better assess projects for the non-financial elements is a key piece of work for us. That helps us understand, with some objectivity, the merit of projects that don't always stack financially but have critical importance to the state.

I understand the questions that you're asking and I am answering them to the best of my ability. I do not think for one minute that we get everything right. Not all of our customers are happy; not all of our people are happy. But we are continuously looking at these issues and putting in measures that we can to address and to improve performance.

We have a focus on continuous improvement. We have a focus on building our team, creating capability in Tasmania, building our gender diversity. We really are very focused. We have had a board of five people who have been working incredibly hard to try and move the dial on some of these things.

When you ask questions around them, understand the time it takes to actually have a material impact. When you start to implement cultural changes, it's not a 15-minute process. You have to really determine where the issues are, and that's where the cultural surveys come in. Then you need to understand the regionality of our business. We don't have everyone in one building. We have diversity within our workforce. You know, this is a very complex business.

I appreciate your comments, but please don't misunderstand our position or our dedication to trying to do the best thing we can for TasPorts.

Mr FAIRS - I want to focus on something positive in regard to TasPorts, and that is the community support that you do, especially through tourism, through festivals, events, community focus initiatives, things like that - venue hire, berthing fee support, other sponsorship. Minister, can you explain a bit more about that, please? I'd like to hear something positive, and they do it well.

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Mr VINCENT - One of the positive things from my trips has been the new knowledge I have of many parts of TasPorts, one of them being the biosecurity and national security work they do. I had no comprehension of just how important airports are and the security around our seaports is as well. That was something I was quite staggered by.

I guess TasPorts are a bit of a quiet achiever in this area, because I certainly didn't have the knowledge, but I will just read some of this here.

We see events like the Sydney to Hobart Yacht Race that run each year without a hitch. We give no real thought to TasPorts' role and involvement. I'm pleased to be given the opportunity today to share that in the previous financial year, TasPorts hosted 36 events across its managed properties ranging from major sporting events like the Sydney to Hobart to community gatherings. This included 12 large-scale corporate and commercial events at the TasPorts' own waterfront venue, MAC 02, over a five-month season.

Along with the Sydney to Hobart, TasPorts was also a major partner in the Taste of Summer festival and Dark Mofo. Through its community grant program, TasPorts also awarded almost \$100,000 in financial and in-kind support to 27 different organisations during the 2023-24 financial year.

It continued to partner with the University of Tasmania, in particular the Maritime College, to provide the annual TasPorts Charles Black Memorial Scholarship to students pursuing a career in maritime engineering. Its industry engagement continued through the support of various awards nights, including Trade Tasmania's Export Awards. TasPorts actively seek to partner with organisations that align with the business's key strategic objectives and core values.

During the year it continued to support partnership agreements with the Mission of Seafarers in Hobart, Burnie and Bell Bay to further strengthen operational support for the charity, recognising a mutual interest and shared commitment to provide seafarer welfare services in port areas through shore-based seafarer welfare facilities. TasPorts is also proud to support initiatives that improve maritime safety and ensure the safety of our waterways. It also continued to partner with Surf Life Saving Tasmania and also the Devonport and Burnie Surf Life Saving Clubs where TasPorts' and the club's operations intersect.

A new partnership with Seafood Industry Tasmania was formed, enhancing coordination and cooperation within the seafood industry while fostering positive interactions with fishing fleet operators. TasPorts continued to support the preservation of maritime history by providing in-kind berthing fees at Constitution Dock within the Port of Hobart, including with historic vessels for the Maritime Museum - Westwood - and the City of Hobart's Matilda and the Queen Mary.

There's a constant list of things that are happening. It was interesting to see that because we don't always know those things. It's good to know that there is a fair bit of community - also with the Devonport East Primary School, providing an interactive learning experience to the students about Tasmanian ports via science, literacy and the arts.

CHAIR - I'll ask the minister to wind up.

Ms DOW - To the interim chair: I appreciate that this has obviously been a very difficult time for you, but I would hope that you would appreciate that we come to this table and do our job in holding government business enterprises to account.

For us, this is always about the best interests of Tasmanians and the best interests of the Tasmanian economy. Understandably, we've got concerns about that given what's happened with the *Spirit of Tasmania* vessel replacement program.

That's the premise that we bring to table, and they're questions that we'll continue to ask to get to the bottom of this mess, because, quite frankly, that's our job as elected representatives on behalf of the Tasmanian community. I just want to put that on the record.

Further to that, in August, my colleague Mr Willie asked the chair of TasPorts at the time, 'How do you weigh up your commercial interests versus what's in the best interests of Tasmania?' At that time, the former chair said:

We weigh it from TasPorts' point of view. We don't sit down and say, 'So how does everyone else fit in the state?' Others do that. We just take the TasPorts view.

I want to understand, as the interim chair, if in fact that's the position that you will take, or whether you'll seek to put Tasmania's interests at the front and centre of the decision-making of TasPorts, rather than commercial interests.

Ms DOYLE - I think that I probably don't agree with the comments that were made by the former chair. I don't particularly want to get into that other than to say that, from my perspective and my observation of the board when we've been making decisions, they have been around a whole host of factors in terms of trying to understand what stakeholders are impacted, what the broader impact of a project is.

I think if I refer to my further comment around the framework that we've been developing which has been sent to DSG Treasury and the minister, this takes that into account. My concern as interim chair is if someone was asking us about two different projects, one that got up and one that didn't, and we consider these other non-financial components as well as the financial components, how, without a framework, can we stand behind the decision in a transparent way?

My response to you is we acknowledge that this is a challenge. It is important to us that we understand all the various elements of the decisions that need to be made. How do you value the non-commercial elements of that to have a factor to come up with something that is within a yes range or a no range. It's complex, but we are absolutely working on that and I'm really happy with the progress of the framework. Once that's been fully developed - and we're putting that into testing with a couple of projects that are coming before the board in December to see how that works - we know that there are two projects that in isolation, if we were looking purely at the commercial numbers, wouldn't get up based on those numbers. That doesn't mean that we don't do them. Absolutely not. We invest in community assets all the time. What we do with those community assets is we invest in them and then we write them off, because they're deemed to have no value. That happens every year.

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I want to respond to that by saying I don't agree with the comments that were made by the chair in terms of the decision-making process that was in place. We've further fortified that going forward with this additional framework.

Ms DOW - That's good to know and hear from you today as the interim chair. I've just got one more on that, Chair.

CHAIR - Sorry, the minister just indicated he had something he wanted to add.

Mr VINCENT - I'd just like to add to that, please. This is one of the most exciting things about the review. When you're appointing, let's say, private enterprise people to form a skills-based board, they have an obligation to the company they're running. That's first and foremost not shareholders. That's technical. We know, because most of us sat on a lot of boards over the time. It's very hard to get those things confused.

The Premier and everybody I've spoken to has been really solid that if you have a really strong GBE running commercially and sensibly, it allows you to do fantastic things for the Tasmanian people. Myself personally as an incoming minister, I think that is probably one of the most exciting parts we have to review. It will allow us, with the charters and the letters of expectations, to really define what the board needs to focus on in their decision-making process. I don't doubt they do, but sometimes that can be a little bit clouded by commercial decision. I just wanted to add that I think it's a really good part of the review, that it will focus -

Ms DOW - Then further to that, minister, have you as a government provided any direction to your government business enterprises, particularly TasPorts, about that actual fact about broadening that scope, and making sure that it is in the best interest of Tasmania rather than commercial viability or profit and loss for the company. Have you done that prior to the -

Mr VINCENT - Yes, and the Premier's been extremely strong on that message both publicly and to GBEs. They already were, but sometimes in amongst it all it could get clouded. I think, as a new incoming minister, it's a good thing to be focused on, redefining some of those views.

CHAIR - I'll allow Ms Dow one more.

Ms DOW - To the interim chair, on the government's proposal, I'm interested in your perspective on the proposal around the mergers of GBEs, and whether you've sought any legal advice on that as an entity, or what your thoughts are about that proposal.

Ms DOYLE - Look, you know, our thoughts on that are that it's a matter for government and we will cooperate fully to go on that journey with the government to answer the question with all the information that's required to form a view.

Ms DOW - So you'll make a submission to that process, will you, as a board?

Ms DOYLE - There's two parts to this, I suppose. The first part is the reform, which is separate to the merger. Yes, we'll make some comments around the reform. There are a number of those initiatives that are already undertaken by TasPorts. We have some suggestions to further deepen the recommendations, to ensure that we do have a good framework and we welcome that review. We think it's very healthy always to look at governance. It's not a static

piece of work. Governance is something that keeps evolving. And, as our businesses evolve and as parliament evolves in Tasmania, we need to look at these and make sure we are contemporary in our approach.

I think there are certainly some areas, not particularly with TasPorts, but in some areas, where there are some improvements required in terms of contemporary practices, so we will participate in that process. Then further, the merger process, again, we will contribute, we will have a number of people working on that. Actually, Mr Donald has already provided some comments to State Growth?

Mr DONALD - To Treasury

Ms DOYLE -To Treasury, sorry, around how we think some of that should be tackled and offering our support as part of that process. But, we do not have a predetermined outcome for that by any means.

Ms BURNET - I will just follow on from some of Ms Dow's questioning. I would like to think that there wasn't an embarking into that kind of looking at the merger before we've got the governance sorted.

Minister, there are many components to TasPorts. TasPorts controls ports, port regulation, an airport, and some shipping. It appears to have only recently seen the need for a formalised long-term asset condition-monitoring and maintenance system. Given that TasPorts owns and operates the 80m vessel, the *John Duigan* for the KI run, can you provide me with some information as to why TasPorts operates the ship? If we're looking at mergers, is there the possibility of shedding some of the functions of TasPorts as well?

Mr VINCENT - Yes, everything's on the table. I have to refer to the CEO for an answer on that, but there are some complications around continued reliable services to the islands. I'll just ask you to clarify that a bit. I think it goes back for a while now.

Mr DONALD -Thanks, minister. We provide the bus island line service for the benefit of King Island and Tasmania, following the failure of the private sector. It's something that we're proud of - our efforts and our performance to date. I think I've said openly and publicly on a number of occasions that, as a ship operator, we make a great port company. However, I will say that we went from zero to 100 in a six-week period. From being asked to set up a shipping service to having one operational, that took six weeks. That was a number of years ago.

We continued to refine the management of our service. Through the shareholder we've been advised that our objective is to continue to improve the financial performance of the business. Last financial year in particular we achieved the best financial performance of the business to date with a \$570,000 loss. Prior to that we had experienced periods where it was several million, I think \$3 million to \$4 million loss comes to mind.

The difference between our service and the other two competitors that operate a service to King Island and back is that, generally speaking, the two other competitors operate when they're full. We run a service where we commit to a weekly service, so we provide a minimum of 52 visits to the island, so 104 sailings a year.

In the last period the delays were minimal. I actually think, and I'm happy to be proven otherwise, but I think there were no delays to our shipping service whatsoever. There was, I think, one cancelled service due to weather considerations. Some of the considerations that inform the movement of the vessel are largely around animal welfare and making sure that we're not putting the welfare of livestock at risk in any way, shape, or form.

But one of the complexities of owning and operating the Bass Island line service is that we compete with our customers. That's not something that is easy to navigate. I'm absolutely certain that we do it in a legal manner, but it's not a simple exercise in any way, shape, or form. The reality of the operation is that as we continue to improve our market share, that will have a negative impact on the market share of our competitors and that's a commercial tension. We're striving to take cost out of the business and to increase volumes, but the reality is that we're competing.

CHAIR - I'll go to you for one more, Ms Burnet.

Ms BURNET - Thank you for that answer, because I think it's getting to the point where something might be commercially viable for another organisation, might be the 'get out of jail' card in a sense. I have another question about the *John Duigan*. In your annual report, minister, there was the bollard failure at Grassy, so, I'm wondering if there was any damage to the vessel or any injury or compensation related to that as well.

Mr VINCENT - I'll certainly ask the CEO for a bit more detail, but I've been over and had a look at that and, yes, it was awkward where the pressure was - this is where larger ships are and it's a lot of work to put a bollard in. I thought it was a thing that was strapped to the wharf that you threw the rope over, but I very quickly learnt when I saw the masses of concrete going into the new ones and what is required for the tonnage capacity of those to handle some of the new ships. And I've just been handed that - and it did fail because of the *Duigan* pivoting on and putting pressure on that at all. They are replacing it. There are some issues with the replacement of those bollards, I think there are five that have been replaced?

Mr DONALD - I think five, yes and largely, sorry minister.

Mr VINCENT - I'll hand over to Anthony on that because it's not as simple as just tying up to the wharf as I found out when I was over there.

Mr DONALD - The number of bollards that are, I think, either reaching completion or imminently over the next couple of days or weeks will be completed, along sort of the wharf-side of the berth - there are additional bollards that we are installing and/or replacing, which are some distance back from the berth that provide additional opportunities for lines to be added in more challenging wind or environmental conditions.

To answer your original question though, no one was injured. We proactively reported the incident to WorkSafe and have been working to ensure that we are designing and installing bollards that accommodate every possible sequence of loading through berthing and/or disembarkment.

Ms DOW - Just on that, did you say when that project will be completed?

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Mr DONALD - So, we are about to complete the replacement or the upgrade of the original bollards, in the next days to a week, and I'm happy to confirm that separately. But, in addition to that, we're putting in additional bollards and that won't be completed until early in the new year. And that is going above and beyond the replacement of the the one that failed.

Ms DOW - Thank you. I want to take you to the Public Accounts Committee hearing last Friday, where the Premier appeared and, through you, minister, he spoke about the importance of investing in infrastructure and port infrastructure around the state. When pushed a little bit by the committee, he came to the conclusion that it is important for governments to invest in infrastructure and is on the record saying that.

I note that, throughout, particularly the upper House committee hearings, you made a lot of reference as the CEO, through you, minister, to the fact that when you're looking at commercial charges and the fact that you have to manage your assets appropriately and that you do have a number of ageing assets. One might argue that perhaps TasPorts hasn't managed its assets as well as it could have over time.

But the other argument to that point is perhaps our government hasn't invested and worked in partnership with TasPorts to upgrade that infrastructure.

When I think about one of those examples, I think about the Burnie Port. Obviously, we've got the issue now with Berth 4 and it crumbling and deteriorating. You've outlined today some of your response to that. Have you made approaches to the state government as a board and as the CEO for funding to help with some of these capital works projects?

If we look at the sustainability of your business in the long term, you're going to need additional - you can't just keep hiking charges across each of your assets to ensure that you can reinvest back in them. You need a sustainability plan. You're going to need assistance with capital.

Mr DONALD - We haven't made any requests to date. As our asset management maturity increases and improves, and so does our sensitivity to risk and safety concerns, the quantum of investment will continue to climb. The reality at the moment is that we have an obligation to fund a dividend for our profits of 90 per cent. That's something that we are currently contemplating. It's our objective to continue to invest in our port infrastructure for the benefit of Tasmania.

There are two primary objectives that support the existence of our organisation in accordance with the legislation, the Tasmanian Ports Corporation Act. One is to facilitate trade for the benefit of Tasmania. The second element is with sound commercial practice.

In examining and understanding the future investment required in our infrastructure assets from an asset management perspective, and then looking at the future growth opportunities, there is an absolute need for us to look at the short, medium and long-term financial considerations of our business so that we can achieve our objectives. Again, our objectives are to continue to invest in our infrastructure for the benefit of the state, so that we can continue to facilitate freight movements.

When you look at the financial position of our organisation, some I'm sure would be saying that TasPorts has delivered a record profit this financial year - why is that so? Or when

you wind the clock forward and you look at the payment of interest for debt that we are taking on. You look at the depreciation of assets that we are currently building, the financial challenges continue to accumulate. What does that mean? Well, the profit quickly disappears, particularly when you start to look at investment in not just commercial assets, but the community assets.

We have ageing infrastructure and low utilisation in some of the most beautiful port locations, I think, around the world. But some of those are equally subject to the environmental impacts that are unique from a port perspective. We have river ports. We have open water ports. Our ports are subject to swell conditions in particular that could be 6 to 8 to 10 metres, particularly up on the north-west coast. Our very experienced mariners that I'm particularly proud of will tell you that those environmental conditions can change within half an hour.

Ensuring that we have adequate infrastructure to protect the movement of freight and to protect the lives of people that are out there in the middle of the night bringing vessels in pouring rain, is highly complex, it's dynamic, and it's something that I think the committee should continue to be focused on, as we are as a management team supported by our board.

Mr FAIRS - Minister, with the world moving to greener supply chains, can you explain what TasPorts is doing to ensure its sustainability practices are in line with global best practice?

Mr VINCENT - Yes. You learn something every day when you take on these ministerial portfolios. We know that the trend worldwide is for an increasing focus on green supply. We'll certainly see that when TasRail come before the committees tomorrow and what they're looking at doing.

Tasmania is a net zero destination and TasPorts recognises the importance of taking action to align with global leading sustainable development goals. This year, TasPorts reached a significant milestone achieving the distinguished EcoPorts certification under the Port Environmental Review System across four major commercial ports. There's only 105 ports with that certification around the world out of 4700. For us to have four of our major ports in that category is quite good. That puts us in the top 2 per cent in environmental stewardship of ports.

I'm advised that securing the certification across the geographically diverse sites is complex, and I can only imagine that with the diversity of the work, as the framework is adopted to unique local conditions, ensuring all four major ports are operating in line with global best. Eco Port certification is granted following an independent assessment by LRQR Netherlands BV, a leading global assurance provider. It's an independent body that does that. It's pleasing to see an organisation like TasPorts not only see sustainability as an option, but a necessity, and understanding its commitment to environmental stewardship.

Mr DONALD - I'm very proud of the work that our Manager of Environmental Sustainability, Susan McLeod, has led on behalf of our organisation with the support of her team. I wanted to recognise that recently she was awarded as a finalist for sustainability activity nationally with the DCN Awards, which is a great recognition and something that I and we should all be very proud of.

Ms DOW - I understand that TasPorts have legal proceedings against them in the Magistrates Court for failing to provide safe working conditions to shift workers, namely

12-hour shift workers without break provisions. Why do TasPorts believe it's sound judgement both cost wise and ethically to continue with the matter rather than using that money to better resource the department to provide adequate rostering arrangements? Could you provide some further information on that please?

Ms DOYLE - I think there's some operational elements that would be good for the CEO to answer.

Mr DONALD - We're acting in response to a claim from another party. That's not something that we've initiated. Because it's before the courts, we'll probably refrain from making comment other than to say that we believe that we provide appropriate support and breaks for our staff.

Ms DOW - I hope so. I understand that there may, in fact, be a circumstance where there will be a large turnover, with senior people, management and long-serving employees in coming months leaving TasPorts. Does it concern you as the minister that there could be a change of personnel across management and across lower order positions, and what that means for expertise and skills across the organisation? Are you confident that a good succession plan is happening across the organisation?

Mr VINCENT - I am not aware of that level of resignations or leaving or whatever you are pointing to there. We've talked a lot today about the sustainability and the ongoing viability of a GBE and why the changes are being made. I'd say that's a conversation I probably have to have after this meeting with the chair and CEO. Most boards are always working in front of themselves with the key position of a company to make sure they have appropriate people trained. I can certainly follow up on that, but I'm not aware of those, unless the CEO is.

Mr DONALD - I'm certainly not aware of any looming increasing turnover that we're about to experience. I'm happy to be provided with anything that you might be privy to. Our cultural support and management of our organisation is a passion of mine. It's something that we take seriously. Part of that is about retention of people. The current turnover of staff at TasPorts is quite healthy. I'm not aware of any particular concerns.

Ms BURNET - Minister, your CEO has talked about \$18 million in profit. I understand, from the annual report, that there's a debt facility for \$241 million from TASCORP to finance the delivery of the QuayLink project. Can you explain to the committee what sort of financial impact that will have in the longer term for TasPorts?

Mr VINCENT - There are certain things we have to work through there, both on dividends with the board and the long-term strategic assets in renewal. I think the CEO previously touched on the \$240 million and that we have to wait for the other berth to be freed up before the full amount of that money is expended. I do not have the exact detail of where it needs to be, but that will be coming through with the longer-term asset plan. Where that sits financially is something the government will need to review, on annual dividends or how that profit is distributed back into the business. As we said at the start of today, with the size of that operation, the extent of federal or state money needed or the profitability of the business will be something we'll deal with when that comes before us.

Mr DONALD - Through you, minister. The debt facility for the \$240 million is subject to review by Treasury, TASCORP and the shareholder. It's something that we review internally

on a monthly, quarterly and annual basis. Certainly, from a cash flow perspective, it's absolutely vital.

An important element of our consideration is that we want to continue to debt fund infrastructure investment for the benefit of the state, and it's really important that this debt funding supported through sound commercial agreements, such that the next project is never the last one for TasPorts. For the benefit of Tasmania, we need every commercial project to pay for itself, essentially, so that we can continue to take on the debt required to invest in our infrastructure.

Ms BURNET - In relation to the impacts of climate change on wharf infrastructure and other assets, how are you addressing that? I mean, we're getting more storm surges. I'm also curious to know about the onshore power and those international requirements. Through you, minister, to the CEO.

Mr DONALD - We have undertaken climate change risk assessments conducted at our primary ports. We have an understanding, with input from a range of different contributions, including through additional monitoring undertaken and data through the Bureau of Meteorology. As an example, we're active in continuing to install monitoring devices - swell meter devices - that monitor the size and frequency of waves at some of our ports. We monitor the current in our river ports in a number of different locations. You wind the clock back five to 10 years - in some of our ports that was never done, but we're continuing to do that.

We continue to increase the frequency of hydrographic survey. That's really important, because we're now monitoring and measuring - down to probably millimetres - the accretion of silt, sand and debris within berth pockets and the channels. Something that is really important for our responsibility and function is to make sure that our berth pockets and channels remain open. The frequency and occurrence of storms in the particular catchments, specifically around Devonport, anecdotally appeared to increase. Over time, I think that will demonstrate a need to increase the frequency of hydrographic surveys and dredging activities within the port of Devonport, continuing to ensure that the port is open for safe and effective movement of vessels and freight, in particular.

To answer your question about onshore power: that is certainly something we've committed to delivering, to support the Antarctic vessel in Hobart. There's some really important interactions with TasNetworks that need to continue to occur in that regard. That's absolutely important. That is an example of things that we will continue to consider and look at across all of our ports.

I will say that we have had onshore power in place, interestingly at the port of Strahan, for about five years.

Ms DOW - You don't own that anymore, do you?

Mr DONALD - We are on the verge of taking it back.

Ms DOYLE - We will; thank you for raising it.

Ms DOW - To the CEO: how much time and money did TasPorts spend investigating and advising on the berth 1 proposal?

Mr DONALD - How much time and money? Time was huge. For half a dozen to probably 10 different, perhaps a dozen individuals across the organisation, there was a significant amount of effort undertaken in that regard. The cost associated with the investigation - the investigation is still being finalised, but it's circa a billion dollars.

Ms DOW - In August, you told the Public Accounts Committee that you wanted to be compensated for the internal project management costs associated with just what you've described - the huge amount of effort that you put up in relation to the Berth 1 proposal. Has the government or TT-Line indicated they're willing to cover those costs, or have you pursued that?

Mr DONALD - No, we are about to write to the shareholder and Treasury and the Department of State Growth, and that writing has been invited to seek clarification on the source of funding.

Ms BURNET - My question is around the fishing fleet in Hobart. Victoria Dock is a very important component of the working port, and certainly has benefit to tourists as well. The fishing fleet rely on the land access from Hunter Street and Franklin Wharf, and leaving the harbour with the opening of the Victoria Dock Bridge. How is this impacted by cruise ship arrivals when cruise ships are in port?

Mr DONALD - There is a huge opportunity for us to plan ahead with our communication and consultation with the local fishermen around the arrival and departure times of cruise ships. Largely the cruise lines book a long time in advance. That's great for us. That enables us to secure our resources, but also to communicate more broadly.

We have a cruise ship in port today and I actually saw myself the bridge open for probably five to 10 minutes at a point in time that enabled the movement of a vessel through the bridge. It's not that we prevent the movement of vessels, it's just that they need to be planned in advance.

I wouldn't imagine that we would plan to close the bridge and allow a movement of a vessel during the peak period of movements of particularly international visitors.

Ms BURNET - In relation to management of pedestrians and traffic when cruise ships are in port, how much does that cost, and is that a cost borne by the cruise ship or TasPorts?

Mr DONALD - I'd like to answer that in two parts, but take the specific question on notice if I can, because I'm happy to provide the exact figure to the dollar.

I think that we fund the traffic management costs, but again, I'll confirm that more broadly. It's really important that, with many thousands of international at times or Australian tourists walking around the waterfront, we close off the waterfront to vehicle movements basically and protect the safety of those people. The traffic management service is also directional. It's not just about the closure of the road -

CHAIR - The time allocated for scrutiny of this organisation has now expired. Thanks to the minister and the office holders and staff for your attendance. Thank you to the committee

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for your participation today, and thank you to the parliamentary staff for your assistance with this hearing. We can end the broadcast now.

The witnesses withdrew.

The Committee adjourned at 6.15 p.m.