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THE LEGISLATIVE COUNCIL GOVERNMENT ADMINISTRATION COMMITTEE A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON MONDAY 21 DECEMBER 2015.

TASRAIL INQUIRY

CHAIR (Mr Mulder) - My advice on this is that we are in a position to publish so much of the *Hansard* as we wish, but if the committee were to later decide to rely on some of that evidence, anything redacted from the first lot of publishing, we could then reverse that call and include it, if we so chose to do so. Being a responsible committee we would be mindful of the commercial damage that may result. I do not think those private commercial arrangements, at this stage anyway, are of huge import to the committee, as they are business decisions for TasRail.

Ms JARVIS - TasRail respects the right of the committee to hear what we believe were opinions and to consider that information. So this isn't a question of your being able to hear and consider that; it is more about publication. We had formed the view, based on a lot of the testimony, that a lot of it is opinion that is part speculative and some of it is based on incomplete or out-of-date information, so the concern is about publication of that information with respect to our customers, noting that publication - as you have acknowledged, chair - could cause reputation and commercial harm both to TasRail and to the customers.

TasRail operates in a commercial market and could rightfully expect that the terms and conditions it agrees with individual customers remain confidential so as not to prejudice TasRail in its negotiations and agreements with other customers. If customers were to read 'the price is x ', then that can prejudice TasRail's capacity to negotiate a commercial agreement with another customer.

TasRail, over the last six years, has worked hard to establish itself as a credible player in the marketplace and it is highly competitive with road transport - that is who we are competing with. One of the parameters that is used to define the credibility of an organisation, whom a customer can choose to use or not to use, is the protection of commercially confidential and/or sensitive information. If they perceive that doing business with TasRail carries a risk that its brand or name can be disclosed based on some opinions, without proper right of reply, it could be damaging to TasRail as well as the customer. TasRail is also of the view that having these matters discussed in the public domain may also deter customers from dealing with us if they perceive a risk to their brand. TasRail's customers are not naive to the fact TasRail is a state-owned corporation, but would expect that publication of such material be limited to facts or first-hand knowledge, rather than opinions, if that is going to be disclosed.

As I know all of you would appreciate, the customers place a high value on their own reputation and standing in the community. Ruth would be very familiar with the north-west customers. Their social licence to operate is very important to them and they would require confidentiality about their agreements, but also whether people think they are paying their way, or whether there are suggestions they're not, the viability of their operations, the impact their operations have on other businesses, including their suppliers

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who may also perceive there are opportunities for maximising their leverage. All those things can damage their reputation and impact their brand. That is something we would like to prevent if we can.

The speculation could also impact on their other commercial dealings. A number of our customers are listed on stock exchanges. I want to make the point very strongly that publication about viability, what they pay, all those things, can impact not just their share price - and we note they have share price implications - but also other commercial impacts including capital raising, et cetera.

There is no issue with TasRail talking to the committee about these things in camera, as you have given me the opportunity in camera to discuss and consider these matters, but from TasRail's perspective we think it is very important to limit the publication of those deliberations and opinions being stated by witnesses be kept in camera.

Ms FORREST - Before we go on to identify some of the areas of concern, that overarching statement you just provided does not provide any commercial sensitivity itself. It would be helpful to have it not in camera because -

Ms JARVIS - That bit I was happy to do outside of camera.

Ms FORREST - We would be happy to receive that last statement in open session.

Ms JARVIS - What I have just said, I am happy for it to be in open session.

CHAIR - I think the best way of doing that is to declare that, even though it was taken in camera, we then publish that overarching statement.

Ms FORREST - I think it's relevant and provides a very good context around the reason why there may be some evidence in camera.

Ms JARVIS - Would you like me to state that the statements I have made up to this point can be published and on the public record?

CHAIR - You have requested the committee to publish that on the public record and unless we are in violent disagreement I believe the committee would be in support of that. Now we are going to delve into some of the specifics, which is in camera.