Audit Tasmania



Report of the Auditor-General

No. 5 of 2026-27

Strategic management of port infrastructure

24 November 2026

1826 2026

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Foreword

Tasmania's Port Infrastructure has not been well managed for a long period of time.

While there have been high profile failures, such as in relation to preparing berthing infrastructure for the new Spirits, there is a much broader, and potentially far more significant risk of failure in relation to managing the strategic and operational aspects of Tasmania's entire port infrastructure network.

Building Tasmania has failed to develop, in collaboration with relevant State entities, a whole of State transport strategy that guides coordinated and strategic decision-making, monitoring and reporting progress.

TasPorts have failed to adequately manage its existing port infrastructure or plan for future needs.

The result is that Tasmania is left with port infrastructure that is rapidly approaching end of life, likely to require significant increases in maintenance costs and experience more frequent and severe service disruptions and no clear pathway to funding the cost of replacement. Current planning, by TasPorts and Building Tasmania is inadequate, infrastructure projects have not been prioritised in line with the broader whole of state needs.

Although planning and therefore knowledge about future needs is inadequate, I found that the costs to maintain the existing service potential of port infrastructure, or to expand capacity in line with some of TasPorts current plans will be very expensive and unlikely to be achieved within the current business model operated by TasPorts.

The current condition of Tasmania's port infrastructure presents a significant risk for the State. Decision makers need to consider all options for its mitigation, including rationalisation, decommissioning, renewal or replacement.

This audit shines a timely light on the past performance, current condition and future challenges in relation to the management of Port Infrastructure. The audit also identifies that more recent changes at TasPorts have resulted in improvements in the understanding of the challenges they are facing to address the many years of poor management of their infrastructure. I was pleased to see these improvements and the way in which both TasPorts and Building Tasmania team members engaged with my audit team and have responded positively to my recommendations.



Martin Thompson
Auditor-General

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2026 (No. 69)

2026
PARLIAMENT OF TASMANIA

Strategic management of port infrastructure

24 November 2026

Presented to both Houses of Parliament pursuant to
Section 30(1) of the *Audit Act 2008*

Acknowledgement of country

In recognition of the deep history and culture of Tasmania, we acknowledge and pay respect to Tasmanian Aboriginal people, the past and present custodians of this island. We respect Tasmanian Aboriginal people, their culture, and their rights as the first peoples of this land. We recognise and value Aboriginal histories, knowledge and lived experiences and commit to being culturally inclusive and respectful in our working relationships.

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Executive summary

Audit objective

This audit assessed whether Tasmania's port infrastructure was managed in a way that was responsive to current and future needs.

Audit conclusion

We concluded that Tasmania's port infrastructure has not been managed in a way that responded to current and future needs, with wharves being in poor condition and requiring significant capital investment to maintain existing service capacity.

The current condition of Tasmania's port infrastructure presents a risk for the State. Decision-makers need to consider all options for its mitigation, including rationalisation, decommissioning, renewal or replacement.

We determined that this was caused by the absence of a whole of Government multi-modal transport strategy, incomplete portfolio-wide lifecycle planning, lack of a funding strategy, and historical under-delivery of capital works.

Audit background and approach

There are multiple entities with responsibility relating to port infrastructure management:

- TasPorts (the government business responsible for managing port infrastructure)
- Treasury (supporting the Treasurer as a shareholding minister)
- Building Tasmania, formerly the Department of State Growth (supporting the Minister for Infrastructure and Transport as shareholding minister).

The focus of this audit was on TasPorts. We also assessed Building Tasmania's role in providing strategic clarity to TasPorts on the Government's priorities and plans for transport infrastructure, including ports.

We engaged two independent asset management consulting firms as subject matter experts (SME) with extensive experience in ports infrastructure management to assist us in the audit. This included providing expert advice on whether our performance expectations were suitable. The SMEs also provided expert advice on whether our findings aligned with industry standards on good practice port management.

We assessed port infrastructure management with reference to ISO *55001:2024 – Asset management*. ISO 55001:2024 provides an internationally recognised framework for assessing whether an organisation has the systems and processes necessary to manage those long-lived assets in a way that delivers value and supports organisational objectives.

Audit findings

1. Is the current model for making strategic decisions on port infrastructure effective?

We found

The model for making strategic decisions on port infrastructure was not effective.

Tasmania does not have a whole-of-government strategy to support coordinated and consistent decision-making on the integrated transport system, including decisions related to ports. Without such a strategy, Tasmania risks continuing to make port infrastructure decisions in isolation of other forms of transport infrastructure such as road, rail and air. This may result in fragmented investment, delayed resolution of structural network constraints and continued inefficiencies across the Tasmanian supply chain.

TasPorts 2043, developed in 2013, was a high-level strategy that did not contain sufficient information to demonstrate how infrastructure management decisions aligned with current and future needs. TasPorts developed a 30-year plan at the same time as TasPorts 2043. This provided more detailed information on how port infrastructure management decisions aligned with current and future needs. However, it was not implemented in full. Neither document was fit-for-purpose as they have not been periodically updated.

TasPorts' lack of a fit-for-purpose strategy detailing the intended outcomes for port infrastructure management also means the framework assessing performance against those outcomes was also inadequate.

Performance measures agreed with Shareholding Ministers provide some information on port infrastructure management, but the infrastructure-related information is limited to the maintenance and capital expenditure budgets and progress of major projects.

2. Are port infrastructure management practices effective?

We found

Overall, the condition of port infrastructure was fair-to-poor, with wharves being in poor condition and nearing the end of their working life. Significant investment will be required to bring port infrastructure up to a condition that maintains existing service capacity.

While TasPorts has not achieved its capital expenditure targets in the past:

- its most recent corporate plan better identifies the size of the challenge it faces and has outlined the projects it intends to undertake to 2030 to address that challenge
- current port infrastructure policies are risk-based, with TasPorts currently implementing improvements including a risk tolerance statement in a revised risk management policy and the development of key risk indicators.

Despite these positive changes, TasPorts has not identified how projects will be funded.

We also found that performance monitoring and reporting was improving as TasPorts continues to progress its business transformation project.

However, there were still significant gaps in the information provided to the Board and Minister. This would impact their capacity to make informed strategic decisions on port infrastructure, particularly in the context of the scale of investment required to ensure port infrastructure is fit-for-purpose. In addition, discussions in meetings between the Minister and TasPorts on port infrastructure were not documented. This reduces the clarity of actions to be implemented and was not consistent with TasPorts' responsibilities under the *Archives Act 1983*.

Recommendations

We made 4 recommendations as follows.

We recommend that Building Tasmania...	The recommendation was ...	Expected completion is ...
1. ...in collaboration with relevant State entities, develop a whole of State multi-modal transport strategy for Tasmania that guides coordinated and strategic decision-making, monitoring and reporting progress.	Accepted in principle. Building Tasmania generally supports the intent of Recommendation 1, subject to Government consideration of scope, governance arrangements, sequencing and resourcing and will continue to develop the Transport strategy over the next 12 months	December 2027
We recommend that TasPorts...	**The recommendation was ...**	**Expected completion is ...**
2. ... develops a strategy, consistent with the whole of State multi-modal transport strategy, complementing the 2027 Port Master Plans that identifies: • how it will implement the intended outcomes for port infrastructure management • how it will be funded • specified period or process for review • the framework and measures to monitor performance against the strategy.	Accepted. Develop a long-term port infrastructure strategy alongside the 2027 port master plans, aligned with the whole-of-State transport strategy as it develops. Set out infrastructure outcomes, prioritised lifecycle investment and funding pathways, performance measures and a review cycle. Submit to the Board for approval.	December 2027; alignment reviewed as the State strategy develops.

We recommend that Building Tasmania...	The recommendation was ...	Expected completion is ...
3. ... establishes a reporting and escalation framework for the Board and Shareholding Ministers covering asset condition, infrastructure risk, renewal needs, costs, funding gaps and project delivery.	Accepted. Build on existing reporting to establish a Board-approved reporting and escalation framework covering asset condition, infrastructure risk, renewal needs, costs, funding gaps and project delivery. Define reporting responsibilities, frequency and escalation thresholds, including significant developments and deferred-investment risks. Embed the framework in regular Board and Shareholder Minister reporting.	December 2027
4. ... maintains appropriate records of all meetings and interactions between TasPorts and Shareholder Ministers, in accordance with the requirements of the *Archives Act 1983*.	Accepted. TasPorts will agree arrangements with its Shareholder Ministers to maintain appropriate records, consistent with the *Archives Act 1983*.	January 2027

Submissions and comments received

Full responses to the report are at Appendix C.

Artificial Intelligence (AI) disclosure statement

Reviews, or assurance activities that contributed information to this report have used AI-enabled tools to support evidence gathering, data analysis, or administrative activities. Any such use occurred within the scope of the applicable audit methodology, governance framework, and quality control procedures. All findings presented in this report have been reviewed and accepted through the relevant audit and management oversight processes.

1. Introduction

1.1 Ports are critical enabling infrastructure to Tasmania's supply chain and economy. They are also:

- access points for people arriving and departing by sea, such as on the Spirit of Tasmania and cruise ships
- international transit, logistics and scientific hubs connecting the world to Antarctica
- places for major events such as the Sydney to Hobart Yacht Race and the Australian Wooden Boat Festival.

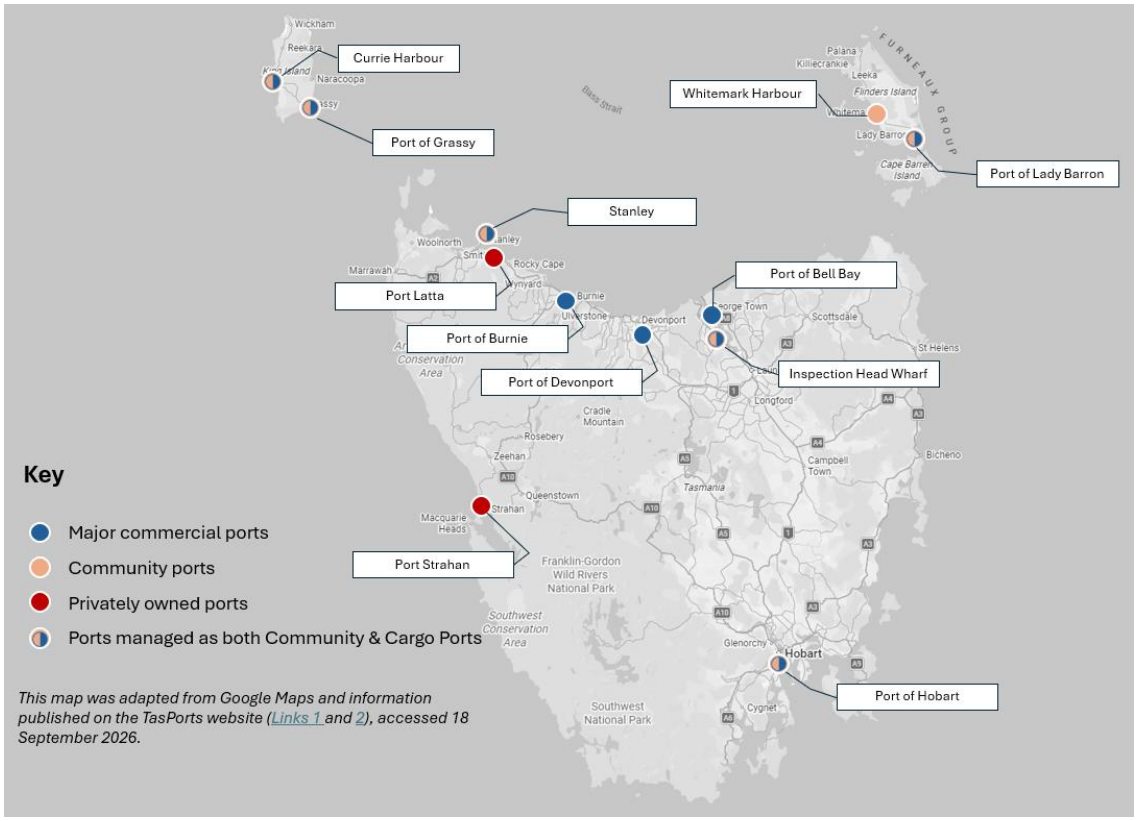
Formation of TasPorts

1.2 Historically, local marine boards, port authorities, and port corporations managed Tasmania's ports. These organisations operated independently and competed for shipping and trade.

1.3 On 1 January 2006, the Tasmanian Government established TasPorts as a State-owned company through the *Tasmanian Ports Corporation Act 2005* and combined the state's major port corporations into a single state-owned organisation.

1.4 TasPorts now operates the 10 ports shown in Figure 1.

Figure 1: Tasmania's port network



Source: Audit Tasmania

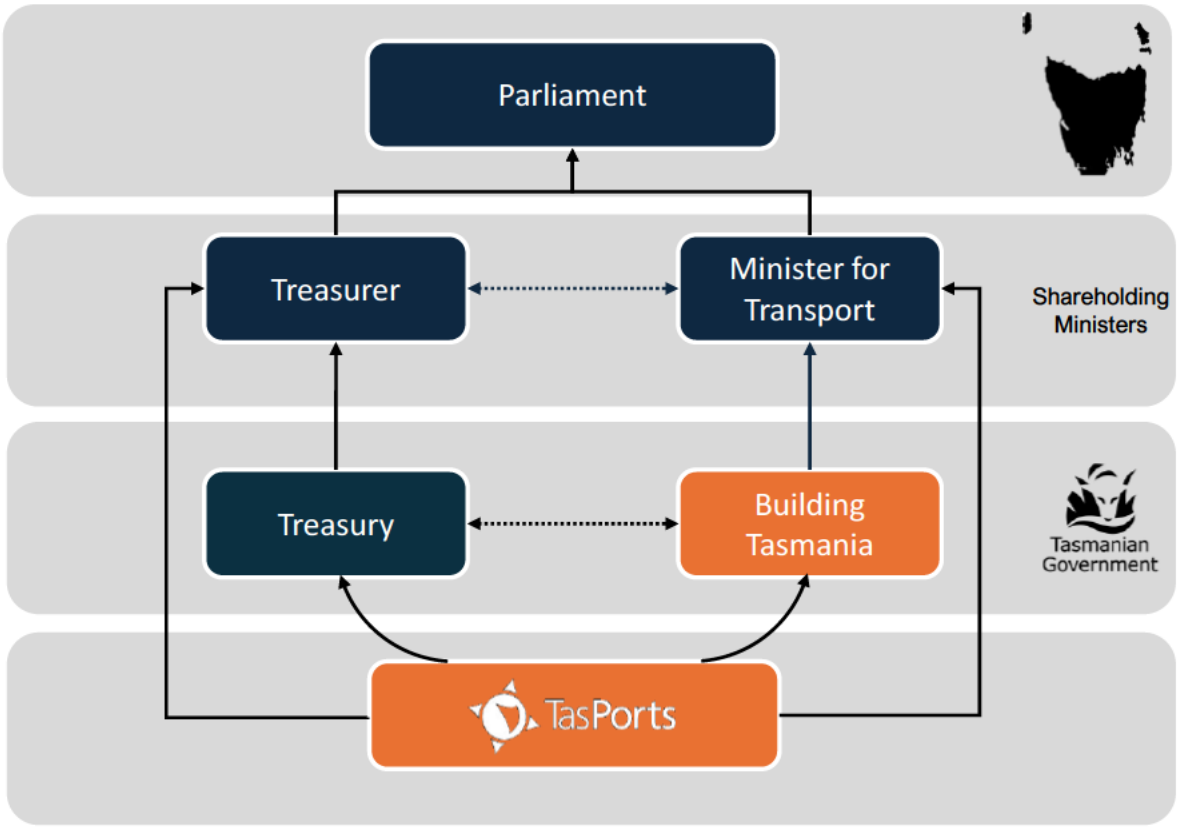
1.5 There are two other ports in Tasmania. Port Latta, which is privately-owned, and Port Strahan, owned by the West Coast Council.

1.6 This audit has examined the management of marine port infrastructure in response to recent concerns about their condition. Devonport Airport, also owned and managed by TasPorts, was not included in this audit.

Strategic governance framework

1.7 TasPorts operates within the context of the Tasmanian Government's *Government Business Corporate Governance Framework*. It is accountable to the Treasurer and the Minister for Infrastructure and Transport as shareholding ministers.

Figure 2: Governance arrangements for port infrastructure management



Source: Audit Tasmania

1.8 The extent to which Treasury supports the Treasurer and administers the Government Business governance framework was considered in the Auditor-General's Report No. 2 of 2026-27 *Treasury's oversight of government businesses,* tabled in Parliament on 27 October 2026. We did not assess the governance model in this audit.

1.9 This audit assessed TasPorts' management of port infrastructure and Building Tasmania's role in providing clarity to TasPorts as to Government strategic priorities and plans for transport infrastructure, including ports.

1.10 Table 1 outlines the roles of TasPorts and Building Tasmania in port infrastructure management

Table 1: TasPorts' and Building Tasmania's roles in port infrastructure management

Entity	Roles and responsibilities
TasPorts	Operates the business, and manages ports, in a way that is consistent with legislation, good practice asset management and Shareholding Ministers' expectations for the benefit of Tasmanians.
Building Tasmania	Advising the Minister for Infrastructure and Transport (or equivalent portfolios), as a shareholding minister, on issues such as: • Government priorities and policies relating to the integrated transport system, including port infrastructure • TasPorts' role and performance in implementing Government's priorities and policies relating to port infrastructure • how the *Tasmanian Ports Corporation Act 2005* is being administered.

Source: Audit Tasmania.

2. Port infrastructure strategy

In this Chapter we review whether the current model for making strategic decisions for Tasmania's port infrastructure is effective.

Chapter summary

Key terms used in this section:

Tasmanian supply chain

The Tasmanian supply chain for TasPorts includes ports, freight, and logistics, as well as a broader network that includes road, rail, shipping, aviation, storage, customers, industry and government.

Multi-modal transport strategy

A strategy that sets the context and framework for making strategic infrastructure decisions within the whole transport system (air, road, rail, ports).

In this audit, the context includes the range of stakeholders and uses for port infrastructure, from community needs and local economies to movement of people, freight corridors and major economic supply chains.

Our performance expectations

To meet the Shareholding Ministers' Statement of Expectations including to 'work with Government to ensure ongoing provision of fit-for-purpose infrastructure for port users', we expected:

- Building Tasmania and TasPorts to have complementary and consistent strategies regarding port infrastructure
- TasPorts to maintain an overarching strategy for its portfolio of port assets that considers shipping industry trends, tenants and stakeholders (including Shareholding Ministers and community), and reflect its infrastructure capacity and condition
- relevant strategies embed a performance framework to monitor implementation and successful delivery, and that incorporates appropriate measures with review and reporting cycles.

Our assessment of performance against these expectations

2.1 The current model for making strategic decisions on port infrastructure is not operating effectively:

- There are no strategies that ensure decisions regarding ports are made within the context of the broader Tasmanian transport system, or to ensure delivery of Government priorities.

- There are no whole-of-system frameworks in place to coordinate infrastructure investment across the Tasmanian transport system.
- TasPorts' strategic plan is no longer fit for purpose as it did not have a specified period or process for review, or performance and reporting frameworks.

2.2 The lack of an overarching strategy means that TasPorts tends to focus effort and reporting on its own priorities at project or operational level. This means TasPorts has not effectively communicated the scale of the challenge it faces to ensure port infrastructure supports current and future needs or enabled it to forecast and identify future funding required to meet them.

Building Tasmania has no strategy or framework to inform strategic decisions on port infrastructure

2.3 We expected that there would be an overarching strategy that guides and informs strategic decisions for port infrastructure in the context of the broader transport system, community and state infrastructure needs.

2.4 This strategy would guide and inform the direction of TasPorts investment and enable strategic-decision making based on port usage, viability, consolidation, renewal, expansion, or decommissioning.

The documents that Building Tasmanian could have used to communicate Government strategic priorities were outdated or incomplete

2.5 We found there was no integrated whole-of-state transport strategy (or associated governance mechanisms) to identify system priorities or coordinate investment and sequencing in the Tasmanian transport system (road, rail, air and sea).

2.6 The lack of a strategy, associated performance frameworks, and appropriate and effective advice to support Shareholder Ministers, may result in fragmented investment across the transport system, delayed resolution of structural network constraints and continued inefficiencies across the Tasmanian supply chain.

2.7 The 'Tasmanian Integrated Freight Strategy' (2016) established the Burnie-Hobart freight corridor project and did not consider the wider Tasmanian supply chain and transport network, such as community ports.

2.8 'Our Infrastructure Future', a draft whole-of-state infrastructure strategy released for consultation in 2016, was never finalised.

TasPorts' strategy does not respond to current and future needs

2.9 An up-to-date strategy is foundational to TasPorts meeting the principal objectives

under section 6 of the *Tasmanian Ports Corporation Act 2005* which are:

(a) To facilitate trade for the benefit of Tasmania, and

(b) To operate its activities in accordance with sound commercial practice.

2.10 Released in 2013, TasPorts' principal strategic document, TasPorts 2043, articulated a 30-year strategic direction for Tasmania's port infrastructure management. It considered shipping trends and freight needs, stakeholder and tenant views, and infrastructure capacity and condition.

2.11 However, TasPorts 2043 was principally constructed as a 'foundational' document for the Government's new multi-port system, and lacked key elements of an overarching strategy, including an absence of:

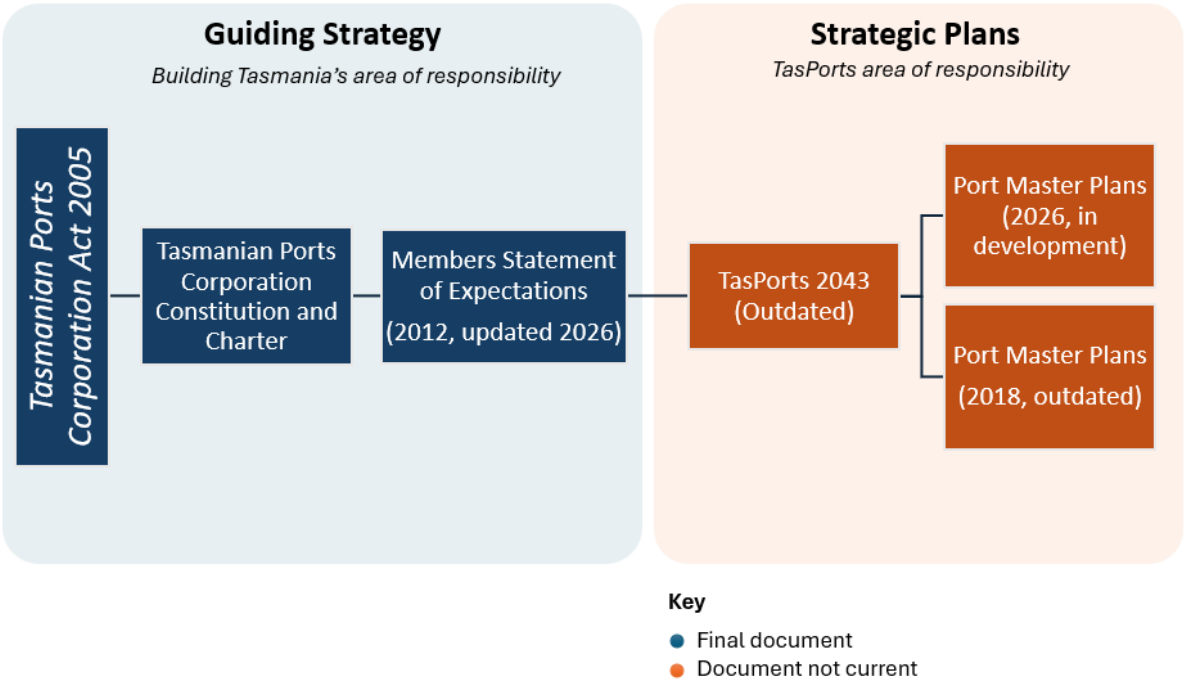
- a specified period or established process for review
- performance measures, targets, or monitoring arrangements.

2.12 We found that after TasPorts 2043 was released, port service demand changed, with some expected projects not being realised (for example, bauxite, wood pellets), and new areas of demand evolving (renewables and hydrogen hub).

2.13 In 2022, a review to refresh and reaffirm TasPorts 2043 by June 2024 was recommended. However, the Board of TasPorts only established a new master planning process in December 2025. Work on the new master plan commenced in 2026.

2.14 Figure 3 shows the responsibility and currency of key strategic and operational planning documents.

Figure 3: Building Tasmania and TasPorts' strategic responsibilities



Source: Audit Tasmania analysis of TasPorts information

2.15 At the time that TasPorts 2043 was prepared, TasPorts held a portfolio of infrastructure that had some duplication in services, such as container shipping, and low utilisation across multiple ports.

2.16 TasPorts 2043 and the 30-year plan identified some opportunities to improve revenue and port condition, such as through lifting utilisation, but the lack of a performance framework meant that these initiatives did not always proceed.

2.17 The lack of measures tracking performance also meant that information on the scale of the capital investment needed to address the full portfolio of port assets was not clearly communicated to Shareholding Ministers.

2.18 We acknowledge that as part of its business transformation project, TasPorts has improved its corporate planning processes and has begun the process of updating its strategic master-plan, to be finalised in 2027. However, it is doing so in the absence of a government multi-modal transport strategy that considers both Tasmanian supply chain and community requirements.

2.19 The absence of overarching strategies at both levels means the Shareholding Ministers do not have a strategic point of reference when:

- determining whether to support port infrastructure decisions, new projects, investment, specialisation or rationalisation, or
- assessing performance of TasPorts and its management of the infrastructure.

Case study 1 – TasPorts reviews future investment model for Burnie Chip Export Terminal (BCET)

The current review of future ownership and operating arrangements for the BCET demonstrates the challenges associated with making significant infrastructure decisions in the absence of an integrated multi-modal transport strategy.

As the terminal enters a major reinvestment phase, decisions regarding future investment, ownership and operation require consideration of broader transport and freight objectives.

While the Treasury's *Capital Investment Guidelines for Tasmanian Government Businesses* require major proposals to demonstrate benefits to Tasmania and support ministerial decision-making, a multi-modal transport strategy would provide additional context for assessing the relative priority of investment in BCET compared with alternative transport infrastructure needs across the State. Such a strategy would assist decision-makers to evaluate public value at a network level rather than considering individual assets in isolation.

3. Port infrastructure management practices

In this chapter we assess whether TasPorts effectively manages its port infrastructure.

Chapter summary

Our performance expectations

3.1 We expected that TasPorts would effectively manage its port infrastructure by:

- understanding the condition of its assets and providing for their maintenance and replacement as required
- having realistic, risk-based infrastructure policies and plans that reflect current and future needs
- having documented and current procedures to support the delivery of its infrastructure plans
- providing Executive Management, the Board and Ministers with complete, timely and reliable information to support decision-making and oversight.

3.2 These expectations were informed by our engagement of two independent industry subject matter experts with extensive knowledge of ports management practices.

3.3 We also referenced ISO 55001 asset management principles, but we did not separately assess TasPorts for certification against the standard.

Our assessment of performance against these expectations

3.4 The current overall state of TasPorts infrastructure is fair-to-poor. An independent valuation report prepared for TasPorts financial reporting process found port infrastructure in poor overall condition, with obvious deterioration, some loss of serviceability and high maintenance cost.

3.5 This indicates there is a substantial infrastructure challenge for the state. The scale, timing and cost of the work required remains uncertain and will depend on the future services required and the appropriate treatment for each asset.

Improvements to port infrastructure management practices have resulted in a more accurate picture of asset condition, but significant challenges remain

3.6 While TasPorts has not achieved its capital expenditure targets in the past, current port infrastructure policies are risk-based and TasPorts is implementing improvements, including a risk tolerance statement in a revised risk management policy and the development of key risk indicators.

3.7 TasPorts' 2027–30 Corporate Plan better identifies the infrastructure challenge and outlines planned projects to 2030. However, because supporting strategic, asset

management and lifecycle documents remained outdated or in draft at the time of the audit, and funding remains uncertain, TasPorts has not demonstrated a complete, portfolio-wide and funded pathway for the renewal of ageing port infrastructure.

3.8 We also found that performance monitoring and reporting was improving as TasPorts continues to embed contemporary business systems and practices as part of its business transformation project, however gaps remain.

3.9 The Board received information on strategic asset management, individual assets, infrastructure risks, operational issues and major projects. However, reporting did not consistently include condition ratings, maintenance backlogs or defect trends, progress against infrastructure performance measures, or key risk indicators showing the effectiveness of asset-risk controls. As a result, the Board did not receive consistent information on the condition and performance of TasPorts' infrastructure assets.

3.10 Shareholding Ministers received information about major infrastructure projects and performance against measures in the Statement of Corporate Intent. However, this information did not provide a complete long-term picture of port infrastructure condition, risks, costs and project delivery. We could therefore not determine whether Ministers received adequate information to support strategic decision-making.

3.11 Meetings between the Minister and TasPorts on port infrastructure have not been documented. This reduces the clarity of actions to be implemented and is not consistent with TasPorts' responsibilities under the *Archives Act 1983*.

TasPorts has not adequately managed its ageing port infrastructure

3.12 Evidence presented during government business scrutiny hearings and information published by TasPorts identified significant structural and asset condition issues at key sites. TasPorts also reported that many of its port infrastructure assets were nearing the end of their useful lives.

3.13 Our analysis also found that actual capital expenditure on port infrastructure was below budget in 8 of the 10 years examined, resulting in a slower rate of renewal and expansion than planned.

3.14 TasPorts commissioned an independent valuation to assess the current value of its assets as at 30 June 2025. This report:

- valued the existing port infrastructure at $447 million based on its current condition.
- estimated that reinstating the same infrastructure like-for-like would cost $1.29 billion,
- assessed the current condition of key assets as in fair-to-poor overall condition with obvious deterioration, some serviceability loss and high maintenance costs.

3.15 Importantly, while the independent valuation measures the cost to replace infrastructure on a like for like basis, TasPorts plans envisage significant expansion of facilities to meet future needs, which will, based on TasPorts current estimates, require significantly greater investment than the like for like replacement estimate. For example, based on its plans for expanded commercial wharf infrastructure, including climate change adaption and electrification, investment of at least $2.2 billion may be required, which is significantly greater that the independently assessed $687m reinstatement cost.

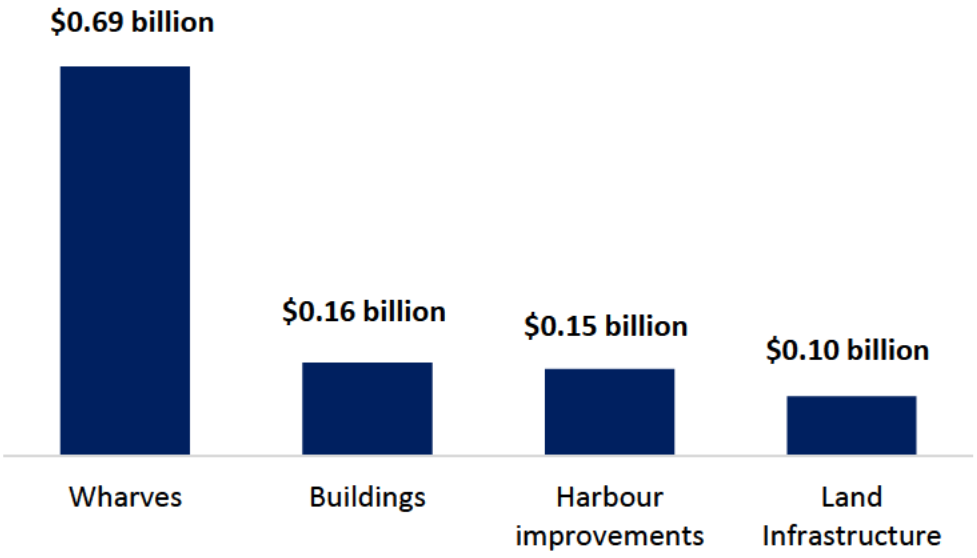
Table 2: Asset reinstatement costs and condition assessment at 30 June 2025

Asset Class	Reinstatement Cost ($m)	Current Condition	Condition description
Dredging	$32.7	76%	Excellent overall condition, initial stages of deterioration
Utilities	$20.1	75%	Excellent overall condition, initial stages of deterioration
General Plant and Equipment	$37.2	51%	Fair overall condition obvious deterioration, serviceability loss
Land Infrastructure	$104.4	46%	Fair overall condition obvious deterioration, serviceability loss
Land Plant	$31.4	45%	Fair overall condition obvious deterioration, serviceability loss
Floating Plant	$57.9	42%	Fair to poor overall condition, obvious deterioration
Harbour improvements	$152.9	36%	Fair to poor overall condition, obvious deterioration
Buildings	$164.0	32%	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs
Wharves	$687.4	28%	Poor overall condition, obvious deterioration, some serviceability loss, high maintenance costs

Asset Class	Reinstatement Cost ($m)	Current Condition	Condition description
Navigational Aids	$4.4	23%	Very poor overall condition, severe deterioration, very high maintenance costs, consider renewal

3.16 TasPorts' major asset class is wharves, representing 57% of the total reinstatement cost of its port assets, as shown by Figure 4.

Figure 4: Reinstatement cost of TasPorts major asset classes 2024-25



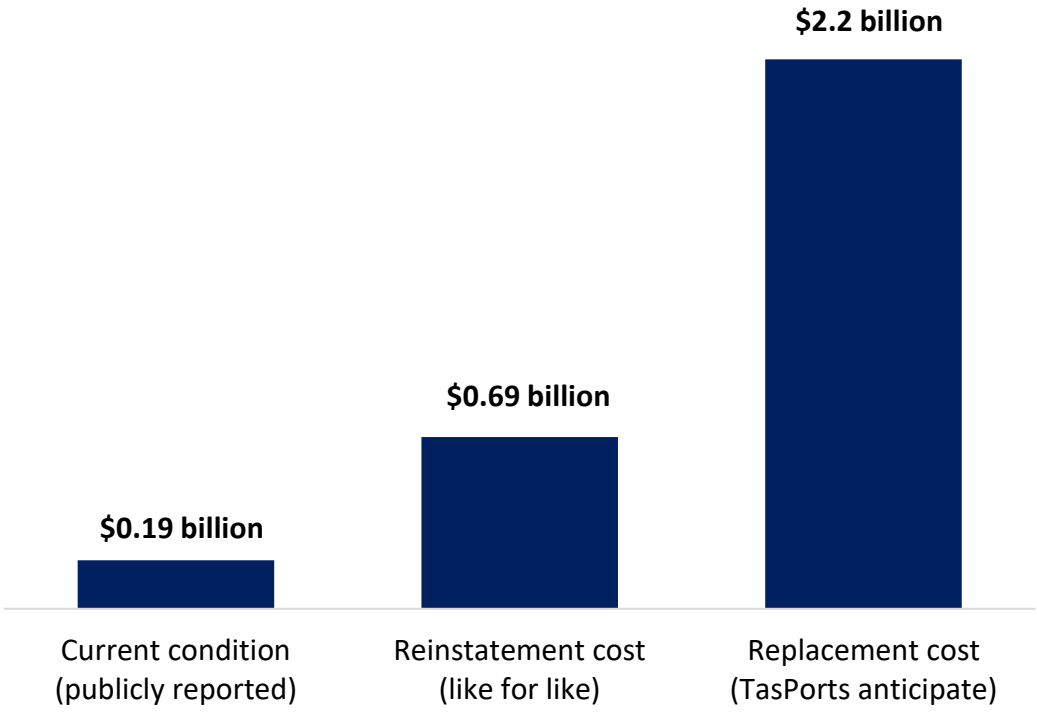
Source: Audit Tasmania analysis of TasPorts information

3.17 We found that the wharves at the four major ports represent 96% of total wharf reinstatement cost.

3.18 Figure 5 shows the reported value of wharf infrastructure compared with reinstatement and replacement cost showing the size of financial challenge for TasPorts.

3.19 The condition and reinstatement costs in Figure 5 indicate a substantial renewal challenge, particularly for major-port wharves. The cost estimates show the potential scale of like-for-like replacement; they do not, by themselves, determine the minimum investment required or the appropriate treatment for each asset. The appropriate treatment may include maintenance, repair, rehabilitation, renewal, rationalisation, decommissioning or changes to service levels

Figure 5: Condition and replacement of major port wharf infrastructure 2024-25



Source: Audit Tasmania analysis of TasPorts information

3.20 This is important because TasPorts has regularly delivered less capital work than planned and the funding for any renewal or redevelopment work is yet to be determined. Delaying renewal work until assets reach a critical condition can increase costs and the risk of asset failure or service disruption.

Infrastructure management policies and plans are improving, but gaps remain

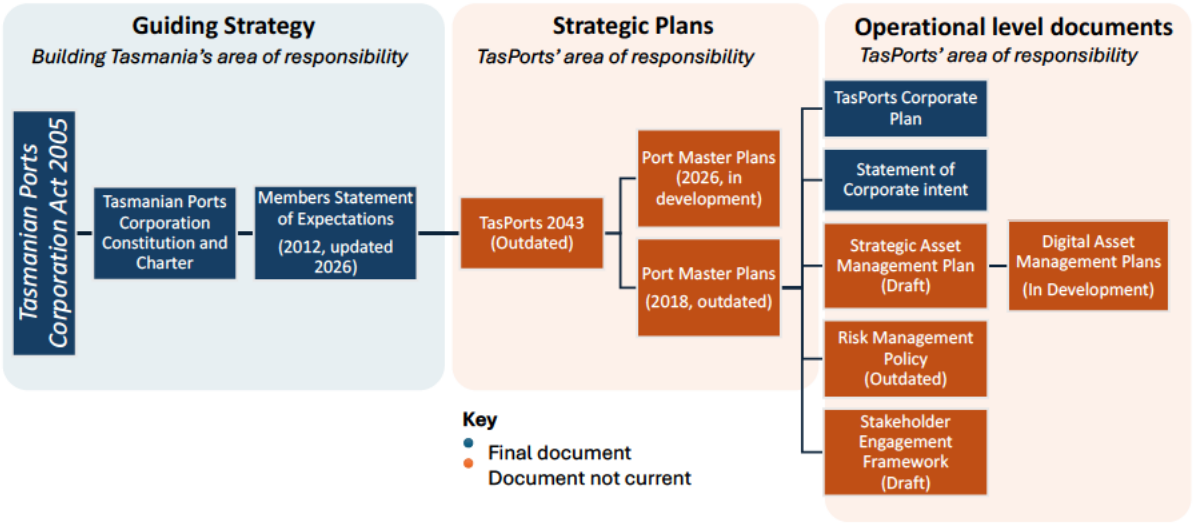
3.21 Consistent with ISO 55001 asset management principles, effective infrastructure management involves setting a clear strategy, understanding risks and future demand, planning and delivering the required work, monitoring performance and addressing identified gaps

3.22 TasPorts has such arrangements across each stage of the infrastructure management cycle. These arrangements help TasPorts operate its assets, deliver planned maintenance and manage immediate infrastructure risks. However, they do not address future challenges.

Strategic plans do not provide a current basis for infrastructure planning

3.23 Figure 6 shows how TasPorts' strategic and operational documents fit within the broader planning framework. Across TasPorts documents, seven of the nine were no longer fit for purpose, out of date, in draft or still being developed at the time of the audit.

Figure 6: Overview of TasPorts' strategic and operational documents



Source: Audit Tasmania analysis of TasPorts information

3.24 As a result, TasPorts cannot show:

- that it is planning for the right projects
- that its plans are aligned with future needs
- that its plans can be delivered as intended
- whether there are gaps that may impact other projects, delivery, or the TasPorts budget.

TasPorts is starting to better identify, assess and treat risk

3.25 Historically, TasPorts managed risks at the site-level through a series of unconnected systems and spreadsheets. This meant that TasPorts had insufficient clarity over:

- risks, and their consequences, across the organisation, and
- whether risks were addressed in a timely and effective way.

3.26 For example, we found that:

- target dates for reducing some critical infrastructure risks extended several years into the future
- for some risks, controls rated 'Unsatisfactory' or 'Requires Improvement' while mitigating actions were marked as being assessed, developed or carried out over many years.

3.27 Clarity on risk assessment began to improve when TasPorts started implementing an enterprise-wide risk management system in January 2026 as part of ongoing business transformation changes.

3.28 However, we also found that the risk management policy is out-of-date and there was no risk tolerance statement.

Recent and future changes

In January 2026, TasPorts started implementing an enterprise-wide risk management system. This is still in progress.

Implementation has involved increasing capability in risk management before capturing risk information in the system.

TasPorts was developing a risk tolerance statement at the time of audit.

TasPorts have advised they intend to develop key risk indicators, which provide information on the effectiveness of TasPorts' response to strategic risks.

The planned response to some asset condition issues is unclear

3.29 We found no approved process that explained when and how deteriorating assets should move into the project pipeline. The lifecycle modelling document intended to guide this process remained in draft.

3.30 For example, Constitution Dock, in Hobart, was rated Fair-Poor because of timber deterioration and corrosion, but a specific renewal or repair project was not identified in the Corporate Plan.

Stakeholder engagement is not formalised

3.31 Stakeholder engagement helps TasPorts understand current and future infrastructure needs and matters that may affect infrastructure planning and delivery.

3.32 We found that TasPorts did not have a policy or framework that sets out when stakeholder engagement should occur or how its effectiveness should be measured.

3.33 TasPorts did provide us with examples of engagement plans for individual projects. However, these were developed recently and did not yet fully align with the approach in the draft framework.

Recent and future changes

In August 2026, TasPorts developed a draft stakeholder engagement framework.

The framework remained in draft at the time of the audit.

TasPorts have not developed a strategy and funding model for community port infrastructure

3.34 Community ports provide social and regional benefits but earn limited returns.

3.35 TasPorts is required to maintain community-port infrastructure in a safe working condition. However, TasPorts had not determined how it would fund the maintenance and renewal work needed to meet this requirement.

3.36 TasPorts could consider options including increasing fees, using borrowings, using revenue from its commercial activities, seeking government funding or consolidating or decommissioning the services and assets it maintains.

3.37 If TasPorts considers government funding is required, it needs to provide Ministers with sufficient information about the condition of community-port infrastructure, the work required, the expected costs, the risks and the available funding options.

3.38 We found that although TasPorts received Community Service Obligation funding in the past, it currently has no agreed approach to funding community port infrastructure. TasPorts advised that around 25% of Government funding requested for community port projects was approved.

Case study 2 – Funding community port infrastructure

During the 2025-26 Statement of Corporate Intent development process, TasPorts assumed that maintenance and capital works for community ports would be funded through the State Budget.

TasPorts was subsequently instructed to revise the Statement of Corporate Intent on the basis that TasPorts would maintain community port assets in a safe working condition and fund the related costs itself.

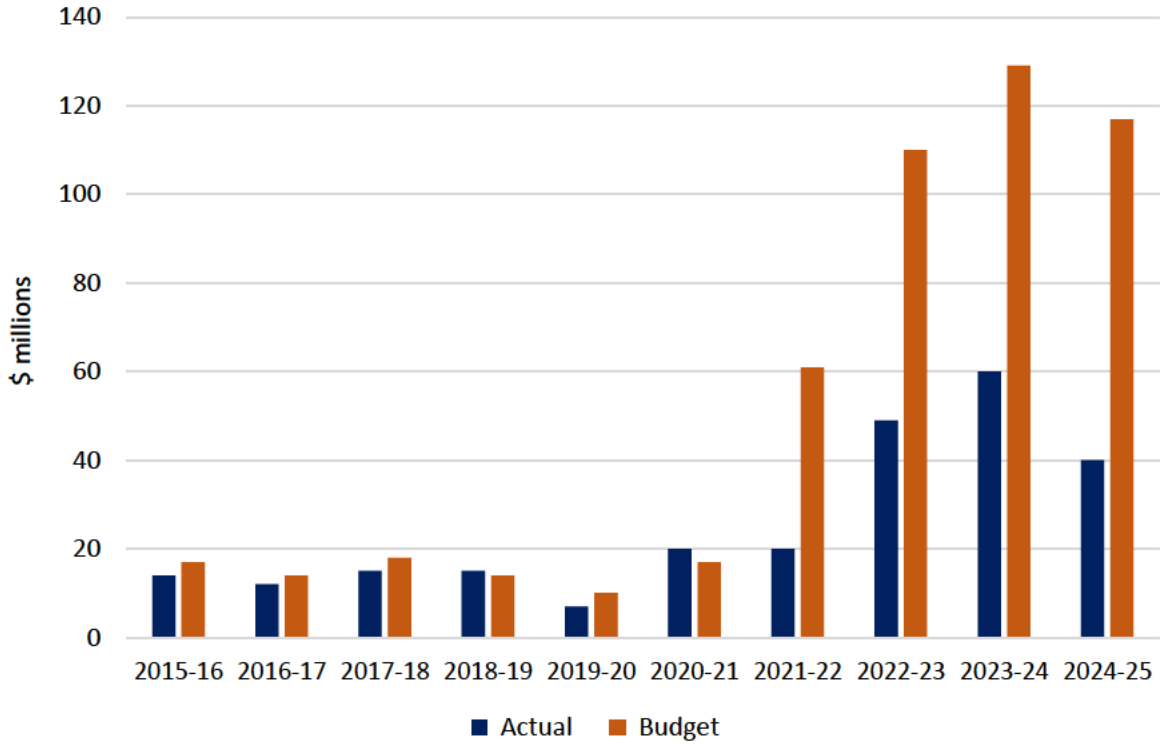
Another option considered by TasPorts to manage the cost of maintenance and renewal of non-revenue generating assets, such as Whitemark Port, was decommissioning. This was not progressed.

If TasPorts considers government support is required, it needs to provide Ministers with sufficient evidence, including future maintenance and renewal costs, risks and available funding options to support a long-term approach to support that request. Regardless of whether government support is provided, if the Minister directs, TasPorts remains responsible for determining how it will fund the maintenance and renewal of community-port infrastructure.

TasPorts did not deliver capital works as planned

3.39 TasPorts delivered less capital expenditure than budgeted in 8 of the 10 years examined, with the gap between planned and delivered capital works widening over the last 4 years. This indicates a growing challenge in planning or delivering capital works.

Figure 7: Actual and planned capital expenditure 2015-16 to 2024-25



Note: excluding Devonport Airport, Bass Strait Island Services and General Capital Expenditure. General capital expenditure relates to purchases that are not attributed to a specific port.
In FY25, this included vehicles, laptops, cameras, saws, mowers, base stations, bulk iPhones, bulk iPads and other general capital items.

Source: Audit Tasmania analysis of TasPorts information

3.40 Future project delivery may also be affected by contractor availability, regulatory approvals, funding decisions, changing priorities and operational needs.

3.41 Where required renewal or other treatment is delayed, maintenance and operational costs may increase and the risk of asset failure or service disruption may rise.

Recent and future changes

TasPorts has improved its project management capability over the past two years.

In January 2026, established a Project Management Office and introduced an enterprise-wide project management system and approach.

TasPorts continues to embed these arrangements.

TasPorts' infrastructure management procedures do not address underlying condition issues

3.42 We found that TasPorts has procedures for assessing asset condition, maintenance planning and delivering infrastructure projects. These include assessing against the Wharf Structures Condition Assessment Manual ratings, which provides an industry

recognised method for inspecting wharf structures, assessing their condition and identifying risks. TasPorts also has manuals for assessing buildings and pavements.

3.43 These procedures help TasPorts identify defects and plan maintenance and renewal work. TasPorts also has an inspection schedule for marine structures at its major and community ports.

3.44 TasPorts generally delivered planned maintenance and has procedures that support the identification and management of immediate defects and infrastructure risks. These arrangements do not, however, substitute for the repair, rehabilitation, renewal, rationalisation or decommissioning required where asset condition and remaining useful life indicate that maintenance alone is no longer sufficient.

Some procedures remain incomplete or out of date

3.45 TasPorts commissioned an independent review of its asset management arrangements in 2024. The review found that many procedures were in place but identified gaps in how some activities were documented and managed.

3.46 We found that some procedures were incomplete, still being developed, used inconsistently or overdue for review. This included:

- the work management process
- the engineering change process
- records management and document control instructions.

3.47 Some procedures also lacked important information. Guidance for disposing of assets did not clearly explain how disposal decisions should be made. The pavement condition assessment manual had not been formally approved and contained errors.

3.48 Risk was not considered consistently across all procedures. Some procedures focused mainly on safety and did not clearly address wider risks to asset condition, performance and service delivery.

ISO assessment found that arrangements were in place, but gaps remained

3.49 An ISO 55001 Stage 1 audit completed by an independent assessor in May 2026 found that TasPorts had established an asset management system and was ready to progress to the next stage of the certification process.

3.50 However, the audit also identified gaps in operational controls, performance monitoring and continual improvement. This is consistent with our finding that procedures were in place, but some arrangements were incomplete or had not been fully demonstrated.

Recent and future changes

TasPorts developed an improvement plan after the 2024 independent review and started updating its procedures and asset management system.

A draft ISO 55001 Stage 2 audit completed found that TasPorts had implemented its asset management arrangements and recommended certification, subject to TasPorts addressing one minor finding.

Agreed improvements are not always completed on time

3.51 TasPorts formally tracks recommendations from internal audits, compliance audits, environmental reviews and asset condition assessments.

3.52 However, we found that several recommendations remained overdue. Agreed improvements were therefore not always completed within planned timeframes.

3.53 Overall, TasPorts manages immediate infrastructure risks. However, it has not yet shown that longer-term risks and renewal needs are being addressed as planned.

Performance reporting on infrastructure management is improving but is not sufficiently developed

3.54 Although reporting has improved alongside the introduction of contemporary business systems, reporting did not provide information on infrastructure management performance in a structured, consistent way. This prevented Executive Management and the Board from using results against performance measures to understand how effectively risks related to infrastructure management were managed, how asset condition was changing, and whether planned renewal work was delivered.

3.55 The information provided to the Board from Executive Management or the Safety Sustainability, and Asset Management Committee was primarily descriptive on:

- strategic asset management and individual assets
- risks related to infrastructure management
- operational issues
- work underway, including major project updates.

3.56 However, reporting did not consistently include:

- condition ratings, maintenance backlogs or defect trends
- progress against infrastructure performance measures
- key risk indicators showing the effectiveness of asset-risk controls.

3.57 There was limited evidence that the TasPorts Board consistently monitored the information required.

3.58 TasPorts also had no framework for escalating important infrastructure risks and performance issues to the Board. Escalation depended on the judgement of individual business areas.

> **Recent and future changes**
>
> TasPorts is introducing contemporary business systems to bring together information that was previously held across separate systems and processes. It also included infrastructure performance measures in its October 2026 update of its Strategic Asset Management Plan.
>
> These changes are likely to improve reporting. However, as the changes were new or still being developed at the time of the audit, we could not assess whether they had improved reporting or decision-making.

TasPorts' reporting to Ministers is not sufficient

3.59 Reporting to the Shareholding Ministers should provide sufficient information to facilitate strategic decision-making. We found that Ministers received information about high profile infrastructure matters, including Burnie Berth 4 and the Macquarie Wharf redevelopment.

3.60 However, TasPorts did not have a formal process setting out which important infrastructure matters must be reported, how they should be reported or when reporting should occur.

3.61 It was also unclear whether safety, risk and compliance matters considered by the Safety, Sustainability and Asset Management Committee were consistently reported to the Board and then communicated to Ministers.

3.62 As a result, TasPorts could not demonstrate, through complete records and a formal reporting and escalation framework, that its Board and Shareholding Ministers consistently received sufficient information on asset condition, risks, treatment options, costs, funding gaps, project delivery and decisions required.

3.63 This is particularly critical given the current poor condition of wharf infrastructure and the level of future investment required. If Ministers are not receiving advice on the key risks related to deterioration in asset condition, that can delay recognising the need and providing for asset renewal.

3.64 The Members' Statement of Expectations, approved in January 2026, requires TasPorts to immediately inform Members in writing about significant developments. TasPorts could not show how it makes sure this requirement is always met.

3.65 On 3 December 2025, the House of Assembly Government Business Scrutiny Committee had highlighted the importance of keeping formal records in relation to the Devonport Berth 3 project.

3.66 Despite this, we found that meetings between TasPorts and Ministers were not formally recorded through meeting minutes. TasPorts provided meeting agendas but could not provide records of discussions, decisions or agreed actions.

3.67 Without minutes, we could not confirm what information was provided, whether important matters were reported promptly or whether agreed actions were followed up.

Appendix A – Independent assurance report

This independent assurance report is addressed to the President of the Legislative Council and the Speaker of the House of Assembly. It relates to my audit of whether Tasmania's port infrastructure is managed in a way that is responsive to current and future needs.

Audit objective

The objective of the audit was to assess whether Tasmania's port infrastructure is managed in a way that is responsive to current and future needs.

Audit scope

We examined port infrastructure management in the context of the TasPorts 2043 strategy objectives, from the strategy's creation in 2013 to 30 June 2026, and the service potential of port infrastructure management.

We did not examine TasPorts' management of Devonport Airport or any other activities undertaken by TasPorts or the government business corporate governance framework.

TasPorts and the Building Tasmania (formerly the Department of State Growth) were auditees.

Audit approach

The audit was conducted in accordance with the Australian Standard Assurance Engagements ASAE 3500 *Performance Engagements* issued by the Australian Auditing and Assurance Standards Board, for the purpose of expressing a reasonable assurance opinion.

We used the asset management principles in ISO 55000:2024 and the requirements of ISO 55001:2024 as references when developing our performance expectations, together with advice from two independent subject matter experts.

ISO 55001 specifies requirements for an asset management system. It does not assess the condition of infrastructure. We did not assess TasPorts for certification against the standard.

The audit evaluated the following criteria:

1. Is the current model for making strategic decisions on port infrastructure effective?

    1.1 Does Tasmania have a whole-of-government strategy to support coordinated and consistent decision-making on the integrated transport system, including decisions related to ports?

    1.2 Has TasPorts developed a strategy that responds to Tasmania's current and future freight needs?

    1.3 Has TasPorts established a performance framework that identifies the intended outcomes of TasPorts 2043 and monitors progress towards those outcomes?

2. Are port infrastructure management practices effective?

   2.1 Has TasPorts established realistic, risk-based infrastructure policies and plans that reflect current and future needs?

   2.2 Are adequate infrastructure management procedures in place which support the efficient and effective execution of port infrastructure plans?

   2.3 Does Executive Management, the Board, and Minister receive information informing them on how well port infrastructure management policies, plans and procedures are implemented?

Audit conclusion

We concluded that Tasmania's port infrastructure has not been managed in a way that responded to current and future needs, with wharves being in poor condition and requiring significant capital investment to maintain existing service capacity.

The current condition of Tasmania's port infrastructure presents a risk for the State. Decision-makers need to consider all options for its mitigation, including rationalisation, decommissioning, renewal or replacement.

We determined that this was caused by the absence of a whole of Government multi-modal transport strategy, incomplete portfolio-wide lifecycle planning, lack of a funding strategy, and historical under-delivery of capital works.

Responsibility of management

Building Tasmania delivers, supports and offers advice for major infrastructure, homes, road and public transport projects.

TasPorts is responsible for facilitating trade for the benefit of Tasmania and operating its activities in accordance with sound commercial practice. This includes the management and operation of Tasmania's port infrastructure.

Responsibility of the Auditor-General

My responsibility was to express a reasonable assurance conclusion on whether Tasmania's port infrastructure is managed in a way that is responsive to current and future needs.

Independence and quality control

I have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Audit Tasmania applies Australian Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* which requires Audit Tasmania to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Martin Thompson
Auditor-General

24 November 2026

Appendix B – Transmittal letter

Audit Tasmania

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24 November 2026

President, Legislative Council
Speaker, House of Assembly
Parliament House
HOBART TAS 7000

Dear President, Speaker

Report of the Auditor-General No. 5 of 2026-27 – Strategic management of port infrastructure

This report has been prepared consequent to examinations conducted under section 23 of the *Audit Act 2008*. The objective of the audit was to assess whether Tasmania's port infrastructure is managed in a way that is responsive to current and future needs.

Yours sincerely



Martin Thompson
Auditor-General

Appendix C – Submissions and comments received

In accordance with section 30(2) of the *Audit Act 2008*, this report was provided to the relevant Minister, Entity Heads of the audited entities with a request for submissions or comments.

Submissions and comments that we receive are not subject to the audit nor the evidentiary standards required in reaching an audit conclusion. Responsibility for the accuracy, fairness and balance of these comments rests solely with those who provided the response.

Building Tasmania

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Our Ref: CM Reference D26/21656/7/2

Martin Thompson
Auditor General
Audit Tasmania
Correspondence@audit.tas.gov.au

Dear Mr Thompson

Thank you for your letter of 16 November 2026 seeking a response to Audit Tasmania's *Management of port infrastructure* final report. Building Tasmania recognises the importance of strengthening long-term strategic planning across Tasmania's transport system, and welcomes the opportunity to respond to the Report. Building Tasmania supports the intent of Recommendation 1, subject to Government consideration of scope, governance arrangements, sequencing and resourcing.

The creation of Building Tasmania was a deliberate decision by Government to bring together all the elements associated with infrastructure strategy and delivery, in an effort to increase coordination, efficiency and outcomes related to infrastructure spending and long-term decision making. The recommendation in the report is not inconsistent with this intent. It is noted that integrated transport strategies and/or infrastructure strategic plans are already in place or in development in some areas, guiding decision making across the sector at a modal, regional and entity-level. For this reason, Building Tasmania considers the issue is more accurately characterised as the absence of a single whole-of-State multimodal transport strategy, rather than an absence of transport strategy or strategic planning generally. An overarching strategy should provide Government-level direction, with implementation through more detailed modal, regional and entity-specific plans and programs, helping coordinate decisions across road, rail, ports and aviation.

We note the importance of distinguishing between a strategy and an action plan. A strategy sets long-term outcomes, priorities and decision-making principles. Projects, funding, sequencing and delivery responsibilities are then addressed through subsequent action plans and investment programs. The draft Bass Strait Islands Transport Strategy is an example of such a process already underway. The Strategy guides future decisions but does not commit funding or determine individual projects.

The report identifies a risk of fragmented investment but does not show that current investment is fragmented or inefficient. A transport strategy would provide useful context for port planning, but individual asset, commercial and investment decisions should remain with the relevant entities under existing governance arrangements.

Building Tasmania supports collaboration between Government agencies and State-owned companies. It should complement existing governance arrangements, with Government setting strategic direction, and the entities themselves accountable for delivery.

The Department's action plan to address the recommendation directed to Building Tasmania is attached to this letter. Thank you for the opportunity to comment on this report.

Yours sincerely



Shane Gregory
Secretary

19 November 2026

encl:
cc: [redacted]

Building Tasmania - action plan to address recommendations from Management of Port infrastructure

No	Recommendation	Acceptance	Detailed response [Agreed action or reason for not accepting the recommendation]	Responsible Officer [Position]	Completion Date
1	In collaboration with relevant State entities, develop a whole of State multi-modal transport strategy for Tasmania that guides coordinated and strategic decision-making, monitoring and reporting progress.	In principle	Building Tasmania generally supports the intent of Recommendation 1, subject to Government consideration of scope, governance arrangements, sequencing and resourcing and will continue to develop the Transport strategy over the next 12 months.	Deputy Secretary Transport	December 2027

TasPorts

19 November 2026

Mr Martin Thompson
Auditor-General
Tasmanian Audit Office
GPO Box 851, Hobart TAS 7001
By email: correspondence@audit.tas.gov.au

Dear Mr Thompson

Management response – Strategic Management of Port Infrastructure

Thank you for your letter of 16 November 2026 on Audit Tasmania's proposed report Management of Port infrastructure

TasPorts accepts the recommendations. Our responses to the recommendations are attached.

TasPorts is focussed on three interconnected priorities: advancing strategic asset management maturity, strengthening risk maturity and securing long-term financial sustainability. This requires balancing infrastructure needs, operational risks and investment capacity.

As the report notes, TasPorts manages immediate infrastructure risks. The greater challenge is planning, funding and delivering the renewal program required over coming decades.

Building a contemporary asset management system

TasPorts has strengthened its strategic asset management capability in recent years, including asset criticality and lifecycle approaches, condition assessment and asset information. This will continue to mature and develop over coming months and years.

Ageing infrastructure does not always require like-for-like replacement. Decisions balance safety, asset condition, criticality, customer needs, network requirements and affordability. The appropriate response may be renewal, rehabilitation or life extension or, in some cases, a change to an asset's role or its retirement. Where a proposed change would materially affect services to port users or communities, TasPorts will engage with those affected and consult its Shareholder Ministers in accordance with applicable governance and consultation requirements.

Improving investment planning and delivery

TasPorts is working on identifying asset needs based on condition, criticality and risk. We are also working on a prioritisation framework that considers other priorities such as safety, service outcomes, strategic alignment and commercial outcomes. This will give TasPorts a consistent, evidence-based way to decide which investments proceed and when, and to deliver them with greater discipline.

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Long-term planning and integrated freight networks

TasPorts agrees that stronger long-term planning is important.

The 2027 port master planning program will establish the port infrastructure necessary for Tasmania over the long term and will include engagement with communities, local government, customers, industry and other stakeholders.

The master planning process will be an important strategic link in TasPorts' asset management framework. It will provide the long-term strategic context needed to determine whether infrastructure should be maintained, renewed, expanded, consolidated or retired. This will include considering opportunities to consolidate assets and freight activities across the port network and make better use of existing infrastructure, while taking account of customer requirements, service continuity and broader freight network outcomes.

The objective is to establish a clearer line of sight between Tasmania's future freight requirements, the role of each port, the infrastructure required to support those roles, and ultimately TasPorts' long-term capital priorities.

Strengthening risk management and reporting

TasPorts has also been progressively strengthening the relationship between asset risk and the wider enterprise risk framework.

Our asset management approach increasingly uses condition, criticality and consequence to support risk-informed decision-making. Importantly, asset-related risks are also being integrated within the broader enterprise risk framework rather than being considered solely as engineering or maintenance issues.

This becomes particularly important where funding or delivery constraints mean not all work can proceed at once, decisions to defer work will be made with a clear understanding of the consequences and the residual risk.

TasPorts will continue to strengthen the information it provides to its Board and Shareholder Ministers on infrastructure condition, risk, investment and delivery. This work will include reviewing arrangements for notifying Shareholder Ministers of significant developments, consistent with applicable reporting and governance requirements.

TasPorts considers the continued integration of asset risk, enterprise risk, long-term asset planning and capital prioritisation to be an important part of the organisation's continuing maturity.

Funding and delivery remain the challenge

The investment required over coming decades may exceed what TasPorts can fund from its own balance sheet while remaining financially sustainable. TasPorts must balance infrastructure investment requirements against sustainable debt capacity and broader financial obligations.

These funding pressures relate primarily to maintaining and renewing infrastructure that supports Tasmania's existing freight task. The larger future investment scenarios identified in the report also include expanded commercial capacity, climate adaptation and electrification and should not be interpreted as the cost of remediating the existing asset base. Financing additional infrastructure for growth would present a significant further challenge, particularly for emerging renewable energy industries. Some projects would require

investment beyond the renewal of existing infrastructure, reinforcing the need for alternative funding sources and investment partnerships if these opportunities are to be realised.

Different assets serve different purposes and benefit different users. TasPorts will work with its Shareholder Ministers on a sustainable approach to funding and sequencing the renewal program, including for community ports, which provide social and regional benefits but earn limited commercial returns. Addressing the long-term investment challenge is likely to require alternative funding sources and models. Depending on the asset, its strategic importance and the beneficiaries of the investment, options may include government co-investment, customer contributions, third-party investment or other funding mechanisms.

Delivery capacity is also a constraint. Design, approvals, contractor and supply-chain capacity, internal capability and the need to keep ports operating during works will all affect how quickly infrastructure can be renewed. TasPorts' focus is a prioritised, affordable and deliverable program that keeps Tasmania's ports safe and reliable and the company financially sustainable.

Looking forward

Significant changes have already been made to asset management, project governance, prioritisation and risk management. The next phase is turning that capability into an integrated, prioritised and financially sustainable infrastructure program, guided by the 2027 port master planning program.

Yours sincerely



Greg McCann

Chair

Encl. TasPorts - action plan to address recommendations from Management of Port infrastructure

Action plan to address recommendations from Strategic Management of Port Infrastructure

2	Develop a strategy, consistent with the whole of State transport strategy, complementing the 2027 Port Master Plans that identifies: • how it will implement the intended outcomes for port infrastructure management • how it will be funded • specified period or process for review • the framework and measures to monitor performance against the strategy.	Accepted	Develop a long-term port infrastructure strategy alongside the 2027 port master plans, aligned with the whole-of-State transport strategy as it develops. Set out infrastructure outcomes, prioritised lifecycle investment and funding pathways, performance measures and a review cycle. Submit to the Board for approval.	Group Executive Major Projects, Assets and Technical Services	December 2027; alignment reviewed as the State strategy develops.
3	Establish a reporting and escalation framework for the Board and Shareholding Ministers covering asset condition, infrastructure risk, renewal needs, costs, funding gaps and project delivery.	Accepted	Build on existing reporting to establish a Board-approved reporting and escalation framework covering asset condition, infrastructure risk, renewal needs, costs, funding gaps and project delivery. Define reporting responsibilities, frequency and escalation thresholds, including significant developments and deferred-investment risks. Embed the framework in regular Board and Shareholder Minister reporting.	Group Executive Major Projects, Assets and Technical Services	December 2027
4	Maintain appropriate records of all meetings and interactions between TasPorts and Shareholder Ministers, in accordance with the requirements of the Archives Act 1983.	Accepted	TasPorts will agree arrangements with its Shareholder Ministers to maintain appropriate records, consistent with the *Archives Act 1983*.	General Counsel & Company Secretary	January 2027

Appendix D – Our role, audit mandate and standards applied

Our role

The Auditor-General and Tasmanian Audit Office (Audit Tasmania) are established under the *Audit Act 2008* and *State Service Act 2000*, respectively. Our role is to provide assurance to Parliament and the Tasmanian community about the performance of public sector entities. We achieve this by auditing financial statements of public sector entities and by conducting audits, examinations and investigations on:

- how effective, efficient, and economical public sector entity activities, programs and services are
- how public sector entities manage resources
- how public sector entities can improve their management practices and systems
- whether public sector entities comply with legislation and other requirements.

Through our audit work, we make recommendations that promote accountability and transparency in government and improve public sector entity performance.

We publish our audit findings in reports, which are tabled in Parliament and made publicly available online. To view our past audit reports, visit our reports page on our website.

Mandate

Section 23 of the *Audit Act 2008* states that:

(1) The Auditor-General may at any time carry out an examination or investigation for 1 or more of the following purposes:

(a) examining the accounting and financial management information systems of the Treasurer, a State entity or a subsidiary of a State entity to determine their effectiveness in achieving or monitoring program results;

(b) investigating any matter relating to the accounts of the Treasurer, a State entity or a subsidiary of a State entity;

(c) investigating any matter relating to public money or other money, or to public property or other property;

(d) examining the compliance of a State entity or a subsidiary of a State entity with written laws or its own internal policies;

(e) examining the efficiency, effectiveness and economy of a State entity, a number of State entities, a part of a State entity or a subsidiary of a State entity;

(f) examining the efficiency, effectiveness and economy with which a related entity of a State entity performs functions –

(i) on behalf of the State entity; or

(ii) in partnership or jointly with the State entity; or

(iii) as the delegate or agent of the State entity;

(g) examining the performance and exercise of the Employer's functions and powers under the *State Service Act 2000*.

(2) Any examination or investigation carried out by the Auditor-General under subsection (1) is to be carried out in accordance with the powers of this Act.

Standards applied

Section 31 specifies that:

'The Auditor-General is to perform the audits required by this or any other Act in such a manner as the Auditor-General thinks fit having regard to –

(a) the character and effectiveness of the internal control and internal audit of the relevant State entity or audited subsidiary of a State entity; and

(b) the Australian Auditing and Assurance Standards.'

The auditing standards referred to are Australian Auditing Standards as issued by the Australian Auditing and Assurance Standards Board.

Acronyms, abbreviations and key terms

Asset	An item of value that an organisation owns, controls or is responsible for managing. In this report, assets include wharves, berths, buildings, roads and other port infrastructure.
Capital expenditure	Money spent to build, buy, renew or significantly improve an asset.
Enterprise-wide system	A system designed to be used consistently across the whole organisation rather than by individual sites or business areas.
Fit-for-purpose	Suitable for its intended use and able to provide the required service.
Freight corridor	A route used to move goods between key locations using road, rail, sea or a combination of transport types.
Government Business Corporate Governance	The Tasmanian Government framework that sets out governance and accountability arrangements for government businesses. (Department of Treasury and Finance, 'Government Framework Guide')
Integrated multi-modal transport system	A transport system in which road, rail, ports, aviation and other transport services are planned and managed in a coordinated way.
ISO	International Organisation for Standardisation.
Members' Statement of Expectations	The document through which shareholding ministers set out their expectations and strategic priorities for TasPorts. *Tasmanian Ports Corporation Act 2005*
Port Master Plan	An industry standard long-term plan setting out the expected development, use and infrastructure needs of a port.
Reinstatement cost	The estimated cost of replacing or rebuilding an asset to provide a like-for-like service.
Risk appetite	The amount and type of risk an organisation is prepared to accept while pursuing its objectives.

Risk tolerance	The acceptable level of variation from an organisation's risk appetite or objectives. It helps identify when action or escalation is required.
Statement of Corporate Intent	A public document setting out a government business's objectives, planned activities, performance targets and financial information. *Government Business Enterprises Act 1995*
Strategic Asset Management Plan	An industry standard document that links an organisation's objectives with how its assets will be managed, including priorities, risks and performance measures.
TASCORP	Tasmanian Public Finance Corporation
Tasmanian supply chain	The network used to move goods and people across Tasmania and beyond, including ports, roads, rail, shipping, aviation, storage, customers, industry and government.

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Front cover image: Ship being guided by tugboats under the Tasman Bridge, Hobart
Photography: Audit Tasmania