

Department of Treasury and Finance

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Ms Mary de Groot
Secretary
Select Committee on Caretaker Conventions
via email: caretaker@parliament.tas.gov.au

Dear Ms de Groot

Questions on Notice – House of Assembly Select Committee on Caretaker Conventions

I refer to your letter of 3 August 2026, seeking a copy of the advice provided by Treasury during the 2025 caretaker period to the then Treasurer, the Hon Guy Barnett MP, regarding TT-Line's request to increase its borrowing capacity.

Attached is a copy of that advice. I note the advice was part of broader advice tabled in the House of Assembly on 28 May 2026, in response to Notice of Motion 101 as resolved by the House on 20 May 2026.

Redactions of the advice are limited to personal information, third-party information, commercially confidential material, and Treasury commentary where disclosure could adversely affect TT-Line's commercial interests. Treasury's advice on caretaker conventions, being the focus of the Select Committee, remains unredacted.

I trust this information will assist the Committee.

Yours sincerely

A large black rectangular box redacting the signature of Gary Swain.

Gary Swain
Secretary

7 August 2026

Cc: the Hon Eric Abetz MP, Treasurer.

Encl.

Minute to the Treasurer

Critical Date: Urgent

Subject: TT-Line guarantee and solvency matters

Approved/Not approved/Noted

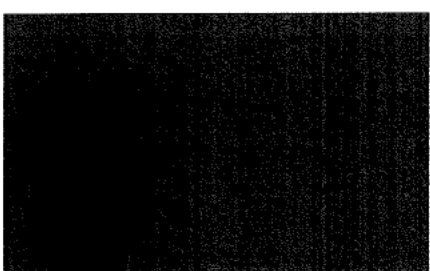
Treasurer comments:


Hon Guy Barnett MP
Deputy Premier
Treasurer

Recommendation:

It is recommended that:

1. you note the contents of this Minute;
2. subject to consultation with the relevant Opposition spokesperson, under caretaker conventions, you approve an increase in the guaranteed borrowing limit for TT-Line under the *Tasmanian Public Finance Corporation Act 1985*, from \$1 035 million to \$1 445 million, by signing the determination at Attachment 1 to this Minute;
3. you note the composition of TT-Line's borrowings will be a \$45 million working capital facility and a \$1 400 million term facility for the vessel replacement project, as detailed in Attachment 2 to this Minute;
4. you note TT-Line 
5. you sign the attached letter to the Chair of Tascorp and attach Attachments 1 and 2 of this Minute to the letter for the Board's information; and
6. you sign the attached letter to the Chair of TT-Line.


25 July 2025

Background:

Treasury understands that, [REDACTED]
[REDACTED]

It is also understood that the Chair of TT-Line has contacted you to verbally advise you of these concerns and that the Board resolved to seek immediate legal advice on its solvency situation.

Treasury further understands that, at that time, [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Under the *Guidelines for Government Businesses - Reporting*, Government Businesses are to immediately advise the Shareholding Ministers in writing of any information that a reasonable person would expect may have a material effect on the value of the Government Business, or its subsidiaries.

To date, while TT-Line has been in discussion with Treasury on the solvency matter, [REDACTED]
[REDACTED].

On 25 July 2025, TT-Line wrote to you in relation to its debt and equity requirements. [REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Subsequently, later on the same day (25 July 2025), the Chair of TT-Line met the shareholding ministers to discuss [REDACTED]
[REDACTED]

TT-Line's Solvency

The Auditor-General is obliged under the *Corporations Act 2001* (Cwlth) to notify the Australian Securities and Investment Commission (ASIC) about matters that he has reasonable grounds to suspect a significant contravention of the Corporations Act. The Auditor-General must also notify ASIC of matters that are not a significant contravention, where he believes that the matter will not be adequately dealt with by commenting on it in the Auditor's report or bringing it to the attention of the Directors.

If the Auditor-General suspects that the Board of TT-Line has contravened its obligations under the Corporations Act in relation to the solvency of the Company, he would be obliged to notify ASIC of that suspicion.

It is important to note that it is the responsibility of Directors to consider duties under the Corporations Act in relation to the solvency of TT-Line and act accordingly.

An insolvent company is one that is unable to pay all its debts when they fall due for payment. A Director of TT-Line could be considered to be breaching their duties if they allowed TT-Line to continue to trade if it is insolvent or to incur additional debts if it cannot be reasonably demonstrated that there was capacity to repay this debt.

There are a range of factors and metrics that the Board and individual Directors will need to consider to satisfy themselves that TT-Line is solvent. Insolvent trading leaves a Director open to civil and criminal penalties, and to being personally liable to compensate for losses.

However, there are protections for Directors from liability under the "safe harbour" provisions in the Corporations Act. This allows a company to continue to trade if:

- at a particular time after a person starts to suspect a company may become or be insolvent, they start developing one or more courses of action that are reasonably likely to lead to a better outcome for the company; and
- the debt is incurred directly or indirectly in connection with that course of action and during a specified time period.

In the event of an insolvency, the Corporations Act provides for various possible external administration procedures, including voluntary administration; liquidation, receivership or restructuring. The Directors of a company must notify ASIC of an insolvency event if the company is placed into voluntary administration, liquidation, or receivership.

TT-Line's borrowing and equity requirements

Forecast borrowing requirement

[illegible]

Tascorp assessment

Tascorp has provided a copy of its credit assessment to Treasury. The key points are that:

- [illegible]

[REDACTED]

[REDACTED]

[REDACTED]

Treasury comment

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Caretaker conventions

Under caretaker conventions, Governments should avoid making and implementing major policy decisions during the caretaker period that are likely to commit an incoming government or limit its freedom to act and avoid entering into major contracts or undertakings, approving major variations to or termination of major contracts, or undertakings during the caretaker period. This includes commitments and undertakings that could bind an incoming government.

If it is not possible to defer the commitment until after the caretaker period, for legal, commercial or other reasons: the Minister, after agreement with the Premier, should consult the relevant Opposition spokesperson regarding the commitment.

Treasury considers that any Government support provided to TT-Line, including your approval of an increase in the guaranteed borrowing limit, are caretaker period policy decisions and would be subject to the Caretaker Conventions.

Disclosure obligations

A change in the guaranteed borrowing limit before the Financial Statements of Finance-General and in the Treasurer's Annual Financial Report are finalised will need to be specifically disclosed as a subsequent event relating to the 2024-25 financial year.

Next steps

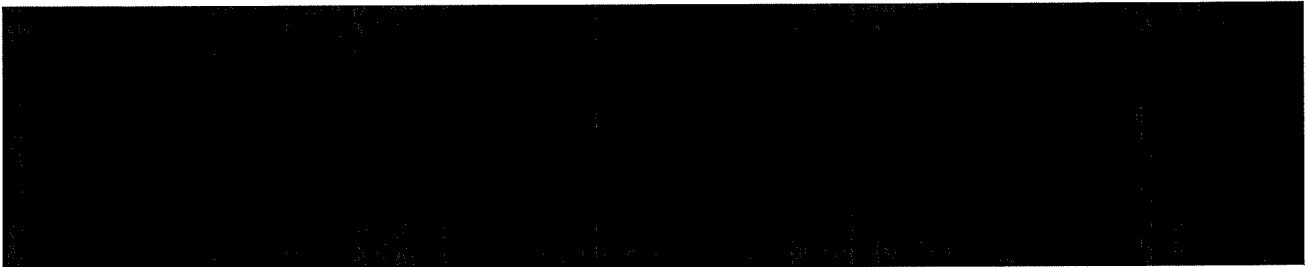
Subject to consultation with the relevant Opposition spokesperson, you can approve an increase in the guaranteed borrowing limit for TT-Line, under the Tascorp Act, [REDACTED]

[REDACTED]

If you sign the attached determinations, you should also sign the attached letter to the Chair of Tascorp, providing a copy of the determinations, as well as the attached letter to the Chair of TT-Line.

List of attachments:

1. Determination of maximum guaranteed borrowing amount for TT-Line.
2. Determination of composition of maximum guarantee borrowing amount for TT-Line.
3. Letter to Tascorp.
4. Letter to TT-Line.
5. Tascorp borrowing assessment for TT-Line.
6. Letter from the Chair of TT-Line dated 25 July 2025.



Attachment 1

Tasmanian Public Finance Corporation Act 1985

In accordance with section 15A of the *Tasmanian Public Finance Corporation Act 1985*, I, the Hon Guy Barnett MP, hereby determine the following amounts to be the maximum amount guaranteed by the State for the borrowings of the relevant organisations listed below from the Tasmanian Public Finance Corporation.

These amounts commence on the date listed below and remain in place until revoked.

Any previous guaranteed borrowing amounts for the relevant organisation listed below are hereby revoked.

Relevant organisation	Determined maximum guaranteed borrowing amount (\$m)
TT-Line Company Pty Ltd	1 445.0

Dated this 26 day of July 2025



Hon Guy Barnett MP
Treasurer

Attachment 2

Composition of maximum guaranteed borrowing amount for TT-Line Company Pty Ltd (Specific Limits)

Relevant organisation	Limit (\$m)
TT-Line Company Pty Ltd	1 445.0
<i>Vessel Replacement project</i>	<i>1 400.0</i>
<i>Working capital facility</i>	<i>45.0</i>

