# Tasmanian Public Finance Corporation

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28 October 2026

Hon Ruth Forrest MLC, Chair
Parliamentary Standing Committee
of Public Accounts
Parliament House
Hobart TAS 7000

Dear Chair,

**INQUIRY INTO THE TT-LINE SPIRITS PROJECT – QUESTIONS ON NOTICE**

I refer to your letter dated 22 September 2026 and TASCORP's response dated 28 September 2026. TASCORP and TT-Line executed a variation to the Master Loan Facility Agreement on 16 October 2026. A summary of the reset covenants is set out below.

**Interest Coverage Ratio (ICR)**
The previous earnings-based ICR, with a minimum threshold of 1.0 times, has been replaced by an adjusted Funds from Operations (FFO)-based ratio with a minimum threshold of 1.5 times. The revised measure incorporates cash from Tasmanian Government equity injections received and available to support interest payments. This change better reflects TT-Line's capacity to meet those payments, as equity injections are excluded from earnings under the previous calculation.

**Material Adverse Change (MAC)**
The MAC covenant is unchanged. It is triggered by a reduction in TT-Line's net assets exceeding 10% of the amount reported in the preceding financial year.

**Financial Leverage Ratio (FLR)**
The FLR covenant, which previously limited debt to 75% of debt plus shareholders' equity, has been removed. TT-Line's forecast negative equity meant that prolonged non-compliance was expected, limiting its usefulness as an early warning measure. TASCORP continues to rely on the MAC covenant to identify material deterioration in the balance sheet and on existing restrictions on additional borrowing and security interests.

TASCORP has also included an additional reporting covenant requiring TT-Line to provide:

- quarterly financial performance reports including, actual versus forecast reporting, liquidity metrics and TT-line Board endorsed solvency and liquidity assessments; and
- annually updated long term financial forecasts.

TASCORP would be happy to clarify any details as required.

Yours sincerely



Heath Baker
Chief Executive Officer