Minister for Housing and Planning
Minister for Infrastructure and Transport
Minister for Local Government

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Tasmanian Government

5 AUG 2026

Hon Ruth Forrest MLC
Chair
Parliamentary Standing Committee of Public Accounts

pac@parliament.tas.gov.au

Dear Chair

Enclosed with this letter is the third monthly TT-Line passenger fuel surcharge update provided by the company to the shareholder ministers for June 2026.

Yours sincerely

Hon Kerry Vincent MLC
Minister for Infrastructure and Transport

Encl.

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TT-Line Company Pty Ltd
ABN 39 061 996 174

5 August 2026

Hon Kerry Vincent
Minister for Infrastructure and Transport
Level 10, 15 Murray Street
HOBART TAS 7000

Hon Eric Abetz MP
Treasurer
Level 10, 15 Murray Street
HOBART TAS 7000

Dear Shareholding Ministers

Fuel Cost Variance and Passenger Surcharge – June 2026 Update

I write to provide our third monthly update on TT Line's fuel cost position and the operation of the temporary passenger fuel surcharge, consistent with the Board's commitment to keep Shareholding Ministers informed amid heightened fuel market volatility.

As previously advised, disruption to global fuel markets in March 2026 resulted in a material increase in fuel and related operating costs for TT Line. This has had a direct and significant impact on the cost of operating Bass Strait services.

Fuel Cost Variance

For June 2026, total fuel-related expenditure (vessel fuel and other oil products) was approximately $4.9 million. This represents a $1.7 million increase on pre-Iran conflict pricing.

Of the total $1.7 million increase, $1.2 million or 70% is attributable to the passenger segment.

Passenger Fuel Surcharge

On 31 March 2026, TT Line introduced a temporary 15% passenger fare surcharge to recover this variance partially.

For June, the passenger surcharge generated approximately $1.4 million in total revenue.

TT-Line's cumulative un-recovered passenger-related fuel cost variance at the start of June was $3.28 million. The surplus of passenger surcharge revenue over the increase in passenger-related fuel costs was $0.24 million for June. This brings the cumulative shortfall from the commencement of the Iran conflict on 28 February 2026 to $3.03 million.

The Board has determined that the 15% surcharge rate remains appropriate at this time, subject to ongoing monitoring of fuel market conditions and recovery performance.

TT Line remains committed to ensuring that the surcharge is:

- Temporary in nature; and
- Limited in aggregate to the recovery of the passenger share (70%) of the fuel cost variance, with no over-recovery.

Next Steps

TT Line will continue to closely monitor:

- Fuel price movements and market conditions;
- Recovery of the fuel cost variance; and
- Impacts on passengers and demand.

TT-Line will provide further updates to Shareholding Ministers each month.

Please do not hesitate to contact me should you wish to discuss this matter further.

Yours sincerely,

Ken Kanofski
Chairman