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TT-Line Company Pty Ltd  
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12 May 2026

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

Email: [simon.scott@parliament.tas.gov.au](mailto:simon.scott@parliament.tas.gov.au)

Dear Chair,

### Clarification of direct capital overspend

I am writing about our appearance before the Public Accounts Committee today and the commentary on the \$717 million direct capital cost overrun related to TT-Line's new vessels and the terminal replacement projects.

The table below breaks down the components of the \$717 million in direct capital cost overrun.

	<b>Amount</b>
<b>Vessel Replacement Program</b> Vessel cost overrun (see below)	A \$280 m
<b>Devonport Terminal 3</b> \$493 million versus the original cost estimate of \$90 million Please note: \$9 million Hull Strengthening and Fender Remediation is included in the \$493 million revised project budget	A \$403 m
<b>Geelong Terminal variations</b> Scope changes	A \$34 m
<b>Total – Direct Capital Overspend</b>	<b>A \$717 m</b>

The amounts above exclude indirect costs such as holding costs and interest.

The amounts in the table below are consistent with the amounts in the Public Accounts Committee's TT-Line Spirit of Tasmania Vessel Replacement Project Interim Report. In some cases, the figures below are presented per vessel; in others, they are disclosed as a single amount. This may have given rise to a misunderstanding of the numbers.

	<b>Amount</b>
<p><b>Change in shipbuilder ~ €41 m per vessel</b></p> <p>Increase in contract price between the original price agreed with FSG in December 2018 (€219 million per vessel) and the price agreed with RMC in June 2020 (€519 million for two vessels, or €260 million per vessel)  <i>Ref paragraph F4 of the PAC Vessel Replacement Project Interim Report</i></p>	€ 82 m
<p><b>Contract adjustment</b></p> <p>Increased cost agreed with RMC in April 2021  <i>Ref paragraph F9 of the PAC Vessel Replacement Project Interim Report</i></p>	€ 25 m
<p><b>Russia – Ukraine invasion adjustment</b></p> <p>Contract adjustment for force majeure following the rise in energy and commodity prices caused by Russia's invasion of Ukraine  <i>Ref paragraph F10 of PAC Vessel Replacement Project Interim Report</i></p>	€ 8 m
<p><b>Ship builder support</b></p> <p>Further price adjustment agreed to support RMC in its orderly delivery of the vessels.  <i>Ref paragraph F26 of PAC Vessel Replacement Project Interim Report</i></p> <p>Breakdown:</p> <p>€ 35 m SOT IV</p> <p>€ 15 m SOT V</p>	€ 50 m
<p><b>Vessel capital overrun total (~ € 82 m per vessel)</b></p>	<b>€ 165 m</b>
<p><b>Vessel capital overrun total (~ A \$140 m per vessel)</b></p>	<b>A \$280 m</b>

Should you have any further questions, please email [luke.curtain@spiritoftasmania.com.au](mailto:luke.curtain@spiritoftasmania.com.au)

Yours sincerely,

*Chris Carbone*

Chris Carbone  
**Chief Executive Officer**  
**TT-Line Company Pty Ltd**