

Economist Saul Eslake delivers damning assessment of Spirit of Tasmania build plans



An artist's impression of what the new Spirit of Tasmania ferries could have looked like, if German company FSG had retained the contract.

The Liberals could be about to make the "most financially ill-advised" decision by a Tasmanian government in almost four decades, economist Saul Eslake says.

In a report commissioned by the Labor opposition, Mr Eslake [assessed a "local" build](#) of the new Bass Strait ferries.

In July, [the state government overrode](#) TT-Line's preference to source the new ferries from Finnish shipbuilder [Rauma Marine Constructions](#), after a contract with an ailing German company [was cancelled](#) earlier in the year.

"Following (it would seem) intervention from the Commonwealth government, the Tasmanian government ... established a 'task force' to 'explore opportunities to have the ships built in Australia'," Mr Eslake said.

He said "in Australia", likely meant the contract [would be awarded](#) to Western Australian company Austal, which would outsource much of the construction to Asia and Europe.

"The only work actually done 'in Australia' would likely be the fit-out of passenger cabins, restaurants, and other public areas," he said.

"If this company, or any other Australian company or consortium were to be awarded this work, there would appear to be a high probability that the ships would cost more, take longer to build, and/or would prove less capable and reliable than the ones which TT- Line had intended to have built in Europe."



Saul Eslake.

This decision, Mr Eslake said, "could turn out to be the most financially ill-advised decision taken by any Tasmanian government since January 1983".

At that time, then premier Robin Gray went against the advice of his own department and rejected then prime minister Malcolm Fraser's offer of \$500 million to not proceed with the proposed Franklin dam.

Shortly after, the newly-elected Hawke Labor government stopped the dam from going ahead and gave Tasmania just \$265 million in compensation.

The current Tasmanian government's decision, Mr Eslake said, to explore having the Spirits built in Australia equates to \$350 million that could be lost to the state each peak season.

"Each year's delay in the delivery of the replacements for the Spirits of Tasmania, compared with TT-Line's original intentions, means up to 184,200 fewer visitors to Tasmania," he said.

Mr Eslake said the decision to replace the existing Spirits was of "critical importance" to the Tasmanian economy and was arguably the largest infrastructure project in the state in nearly three decades.

"It is not at all clear why TT-Line, the Tasmanian government and Tasmanian taxpayers should pay more, or why passengers to and from

Tasmania and Tasmanian businesses should accept a potentially more expensive and/or less reliable shipping service across Bass Strait."