

TT-Line Company Pty Ltd

ABN 39 061 996 174

STATEMENT OF CORPORATE INTENT

2023-24

AUGUST 2023

DIRECTORS STATEMENT OF CORPORATE INTENT AND AGREEMENT OF SHAREHOLDING MINISTERS

The Board of TT-Line Company Pty Ltd (TT-Line) agrees to provide the Shareholding Ministers with financial and other information as set out in this Statement of Corporate Intent.

In signing this Statement of Corporate Intent the Board of TT-Line commits to the targets for the 2023-24 financial year.

This Statement of Corporate Intent has been agreed between:



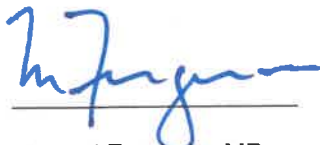
M Grainger

Chairman

TT-Line Company Pty Ltd

On behalf of the Board

Shareholding Minister



Michael Ferguson MP

Treasurer / Minister for Infrastructure and Transport

INTRODUCTION

This Statement of Corporate Intent (SCI) is a high-level summary of the Corporate Plan and includes a performance agreement between the Board of TT-Line and the Shareholding Ministers.

The performance agreement details the key financial and non-financial targets for TT-Line for 2023-24, as agreed between the Board and the Shareholding Ministers through the 2023-24 Corporate Planning process. It also details estimates for the following three years.

The SCI has been prepared in accordance with the Members' Statement of Expectations for TT-Line.

STRATEGIC DIRECTION

TT-Line aims to provide a Bass Strait service built on a reputation for excellence in safety, reliability and exceptional passenger and freight services.

The Company aims to maximise value and deliver consistent financial results by:

- maintaining a best practice approach to its safety culture;
- profitably increasing passenger numbers and maintain freight TEUs;
- competitively differentiating service based on passenger experience and exceptional customer service;
- focusing on reducing operational costs and market testing supplier costs;
- optimising vessel utilisation and schedule optimisation; and
- training, developing and rewarding staff.

The Company's strategy is aligned with the Government's policy objectives to support tourism and prioritise passenger growth, while retaining freight capacity.

PERFORMANCE AGREEMENT

This Performance Agreement sets out the key financial and non-financial targets for 2023-24 and estimates for the following three years are detailed in the tables below.

Financial Returns to Government

TT-Line's Shareholders have confirmed that TT-Line is no longer solely responsible for accumulating funds to meet the replacement cost of the existing vessels.

TT-Line currently operates under a normal dividend policy where recommended dividends are retained in the legislated vessel replacement fund. The Government has determined that following the commencement of the operation of the two new vessels, TT-Line will re-commence the payment of dividends to the Government in line with the standard policy for Government businesses that requires 90 per cent of net profits after tax to be returned as a dividend.

Financial Targets

	Target
\$'000	2023-24
Earnings before Interest, Tax, Vessel Revaluation, Depreciation and Amortisation	64,498
Net cash flow from operating activities	65,438
Return on Assets	3.4%
Return on Equity	(2.5%)

Non-Financial Targets

	Target
Numbers	2023-24
Voyages	875
Lost time injuries	0
Safety Marine KPI's (#)	0
Customer Satisfaction (#/100)	93