# Port of Grassy Infrastructure Review 2025

## Tasmanian Government response

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**Transport Group**
Department of State Growth

Tasmanian Government

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# Introduction

The Tasmanian Government welcomes the *Port of Grassy Infrastructure and Operational Review Report* and acknowledges the importance of the Port of Grassy to King Island's economic resilience, freight security, and community wellbeing. The Review provides a comprehensive assessment of the port's current condition, operational performance, and future infrastructure needs.

This Government Response outlines the Tasmanian Government's position on the Review's recommendations. It confirms the Government's commitment to ensuring safe, reliable, and sustainable port operations that support King Island's industries, particularly agriculture, mining, and essential freight services.

## Background and context

The Port of Grassy is owned and operated by state-owned company TasPorts. The Port is a critical freight and export gateway for King Island. It supports the movement of livestock, fertiliser, fuel, essential goods, and mineral products, and underpins the island's economic activity.

In 2008, a study was undertaken to consider future infrastructure requirements at the port. While some recommendations were progressed, others were not advanced at the time. In response to renewed community interest and evolving freight demands, the Tasmanian Government determined that an updated assessment was required to build on the earlier study and provide a contemporary evidence base for future planning.

Burbury Consulting and ERA Planning and Environment were engaged to undertake a new review of the port's infrastructure condition, operational performance, and future capacity requirements. The resulting *Port of Grassy Infrastructure and Operational Review Report* examines current and emerging shipping needs for general freight and logistics, the growing requirements of key industries on King Island, and broader opportunities that may influence future port capacity. The final report, dated August 2025, was presented to the Department of State Growth in November 2025.

A detailed stakeholder engagement process was undertaken as part of the Review, involving industry, freight operators, TasPorts, and the King Island community. The consultants also analysed a range of infrastructure and non-infrastructure options aimed at improving port operations, enhancing efficiency, and supporting long-term economic activity on the island.

The updated Review builds directly on the 2008 study and provides a contemporary foundation to guide future planning and investment decisions for the Port of Grassy.

The Tasmanian Government acknowledges the contributions of all stakeholders who participated in the Review.

Further information, including the full *Port of Grassy Infrastructure and Operational Review Report* and the *Stakeholder Consultation Summary Report*, is available on the Department of State Growth's Engage website at: https://engage.stategrowth.tas.gov.au/port-grassy-infrastructure-study.

# Tasmanian Government Response

The Tasmanian Government supports the findings of the Review and recognises the need for a coordinated, long-term approach to port infrastructure planning on King Island.

The Government is committed to:

- ensuring the Port of Grassy remains safe and fit for purpose
- supporting efficient and reliable freight services
- maintaining infrastructure that meets current and future industry needs
- working collaboratively with TasPorts, King Island Council, and industry stakeholders
- ensuring investment decisions are evidence based and financially responsible

The Government's responses to the Review's recommendations reflect these principles.

The Tasmanian Government Response to each of the recommendations is communicated in accordance with the below table with accompanying comments.

| | |
|---|---|
| Accepted | The Tasmanian Government supports the recommendation in full. |
| Accepted in-principle | The Tasmanian Government supports aspects of the recommendation with other aspects requiring further work or consideration. |
| Not accepted | The Tasmanian Government does not support the recommendation. |

## Response to infrastructure upgrade options

The report outlines a range of port upgrade options developed using stakeholder feedback, breakwater design considerations, navigation needs and wave data. The options for upgrades range from no major infrastructure investment to significant structural upgrades. The options were evaluated using a multi-criteria analysis, considering economic, commercial, community, operational and environmental factors.

The multi-criteria analysis concluded that the preferred option is to proceed without major infrastructure upgrades. Instead, the recommended approach is to focus on targeted operational improvements and incremental infrastructure upgrades, which collectively deliver meaningful efficiency and safety benefits without the substantial costs and risks associated with large-scale capital works.

The Report identifies that current shipping capacity appears sufficient, although reliability is affected by delays from weather. Significant infrastructure upgrades at the Port remain challenging due to low berth utilisation and freight volumes, limiting the ability for TasPorts to recover the costs of large investments and maintenance.

The Government, through TasPorts, will focus on an infrastructure upgrade program at the Port that provides incremental, commercially sound improvements that deliver measurable operational and safety benefits.

# Response to recommendations

| Recommendation | Tasmanian Government position | Next steps |
|---|---|---|
| **Governance and Collaboration** | | |
| **1. Establish a King Island Shipping Alliance**<br><br>Facilitate a strategic partnership among TasPorts, shipping operators, and key King Island stakeholders to coordinate schedules, share assets, and optimise freight handling (including forward demands). This cooperative model can reduce costs, improve service reliability, and strengthen market influence. | **Accepted in-principle**<br>The Government recognises the potential value of further improving coordination between TasPorts, shipping operators, and King Island stakeholders. However, communication between these entities already exists, and the Tasmanian Government recognises that:<br>• the shipping needs between those on King Island can vary significantly, and<br>• commercial confidentiality concerns that shipping service providers may have in participating in such an alliance.<br>Ongoing assessment of shipping needs and operations is needed to determine if sufficient benefits can be derived from an alliance. | The Tasmanian Government acknowledges that this option is not supported by all shipping operators and will continue to monitor King Island shipping movements and engage with shippers to determine if an alliance could be formed in the future. |
| **2. Revisit freight forecasting and service modelling**<br><br>Commission an updated freight and shipping study to reflect current demand trends, seasonal variability, and emerging market opportunities. This should inform future infrastructure planning and service procurement.<br><br>This should also seek to identify and encourage mainland connection for a triangulated service between Tasmania and Victoria to King Island (key stakeholder theme and previous recommendation on all historical King Island Shipping and port studies). | **Accepted in-principle**<br>The Government agrees that updated freight forecasting and service modelling is essential to inform future infrastructure planning and service procurement. The Review highlights the need to better understand seasonal freight peaks, industry growth, and long-term demand trends.<br><br>The Government also acknowledges stakeholder interest in exploring a triangulated service model and will ensure this is considered as part of future freight and shipping analysis. | The Tasmanian Government is in the early stages of developing a Bass Strait Islands Transport Strategy which will include work on current freight demands, seasonal trends and forecasting for future operations.<br><br>The Tasmanian Government supports, in-principle, the re-introduction of a commercially viable triangulated service between King Island – Tasmania – Victoria and has advocated for trial services that explore opportunities for collaboration that could facilitate a sustainable route. |

| Recommendation | Tasmanian Government position | Next steps |
|---|---|---|
| **3. Maintain transparent engagement with stakeholders**<br><br>Continue regular consultation with community, industry, and service providers to ensure infrastructure and operational decisions remain responsive to evolving needs and constraints. | **Accepted**<br>The Government supports ongoing, structured engagement with shipping operators, TasPorts and King Island stakeholders. Transparent communication is essential to ensuring that operational decisions and future planning reflect the needs of industry, freight operators, and the community. | The Tasmanian Government, through the Department of State Growth and TasPorts, will continue to engage with shipping operators, TasPorts and King Island stakeholders through various forums, including throughout development of the upcoming Bass Strait Islands Transport Strategy. |
| **Strategic Infrastructure Investment** | | |
| **4. Prioritise incremental upgrades over major capital works**<br><br>4.1 The Grassy Port has relatively low berth utilisation and freight volumes such that large scale investment and maintenance cannot be easily funded through port operations. | **Accepted**<br>The Government agrees that incremental upgrades represent the most financially responsible approach at this time.<br><br>TasPorts notes that major capital works would require substantial external funding, as port charges alone are insufficient to cover the costs. | The Tasmanian Government, through TasPorts, will continue to focus on incremental, commercially sound improvements. |
| 4.2 The current shipping service with three operators is providing a broad range of options for freight movement however recognised limitations still exist in meeting seasonal freight demands (livestock and fertilizer) as well as increased reliance on imports and exports for mining activities on King Island (including projected growth in this area). | **Accepted in-principle**<br>The Government supports maintaining a regular shipping service to King Island through the TasPorts-operated Bass Island Line, which can increase sailings if demand requires.<br><br>Additional commercially operated services should proceed where there is proven demand and they are financially viable for operators. | The Tasmanian Government will continue to work with King Island shippers during periods of high demand, as it did during the 2024-25 drought when it convened regular meetings with farmers, shippers and processors and arranged additional Government-supported sailings to manage livestock and fodder transport. |
| 4.3 Options for inner berth infrastructure and operational improvements require further design and modelling to understand the incremental benefits they can provide for port operations. | **Accepted**<br>The Government considers that a targeted, incremental upgrade pathway is the most financially responsible and proportionate approach at this stage, and that future investment is informed by detailed design and modelling to confirm that operational benefits are sufficient for the respective cost. | TasPorts has indicated that, consistent with the report, their focus is on incremental, commercially sound improvements that deliver measurable operational safety benefits. |
| 4.4 Collaboration with Group 6 metals on rock source (quantity and size) availability for breakwater construction options. | **Accepted in-principle**<br>The Government acknowledges the benefits of collaboration with Group 6 Metals to explore material availability for future breakwater options, noting no breakwater extension is proposed at this stage. | The Tasmanian Government will continue to engage with Group 6 metals. Any consideration of breakwater construction will require detailed engineering, |

| Recommendation | Tasmanian Government position | Next steps |
|---|---|---|
| | | environmental assessment, and a clear demonstration of economic benefit. |
| 4.5 Review the infrastructure options upon completion of the updated freight and shipping assessments in Recommendation 2 above and individual business cases when developed by TasPorts. | **Accepted**<br>The Government supports further assessment of infrastructure options as further planning work is completed, and the development of business cases for priority infrastructure options. This will ensure that investment decisions are evidence based, financially sustainable, and aligned with long term freight demand. | The Tasmanian Government will request that TasPorts review the infrastructure options provided in the report. |
| **Operational** | | |
| **5. Implement real time surge forecasting with monitoring:**<br><br>Install outer harbour Acoustic Doppler Current Profiler (ADCP) for wave and current measurement to correlate offshore conditions with TasPorts internal harbour and berth. In turn, the ADCP is to support proactive operational planning and enhance navigational safety.<br><br>Develop predictive model integrating wind, wave and surge data to support dynamic berth access decision making and support operational controls. | **Accepted**<br>The Government acknowledges the operational benefits of enhanced real time monitoring and predictive modelling. Improved surge forecasting could support safer navigation and more efficient berth access. | TasPorts has already commenced a comprehensive surge modelling and forecasting program, including predictive surge outputs and the potential deployment of a new wave buoy outside the harbour for real-time monitoring.<br><br>Further work will be undertaken by TasPorts to confirm the requirements, cost and feasibility of implementing real-time monitoring and forecasting systems for the port. |
| **6. Review port operational limits**<br><br>In combination with increased monitoring and infrastructure upgrades, review port operating hours to consider broader flexibility on port access and utilisation. | **Accepted**<br>The Government supports reviewing operational limits where supported by safety evidence and operational need, noting final decisions are at the discretion of the Harbour Master. Any changes must be informed by improved monitoring data, infrastructure capability, and consultation with operators and the community. | TasPorts will continue to work with the Harbour Master to review port operating hours as upgrades are delivered. |
| **7. Upgrade ro-ro ramp and fendering infrastructure**<br><br>TasPorts bringing forward upgrades on fendering, mooring and roll-on roll-off (ro-ro) ramp infrastructure to improve berth efficiency for a broader range of vessels. Similarly to above recommendations this should be undertaken in context of shipping and freight review to ensure infrastructure meets the future demands. | **Accepted in-principle**<br>The Government agrees that targeted upgrades to ro-ro, mooring and fendering infrastructure would improve operational efficiency and vessel compatibility. However, decisions to bring forward upgrades for completion earlier than planned should be based on the expected benefits from the investments, while ensuring they reflect future demand and vessel requirements. | The Tasmanian Government, through TasPorts, will continue to focus on incremental, commercially sound improvements. Further consideration of improvements to ro-ro, mooring and fendering infrastructure will be undertaken as part of this process. |

# Closing remarks

The Tasmanian Government appreciates the work undertaken through the *Port of Grassy Infrastructure and Operational Review* and acknowledges the vital role the Port plays in supporting King Island's economy and community.

The Government also extends its thanks to the stakeholders and community members who attended consultation meetings and contributed their insights throughout the Review.

The Government is committed to working collaboratively with TasPorts, King Island Council, industry stakeholders, and the wider King Island community to ensure the Port of Grassy remains safe, reliable, and capable of supporting King Island's long-term prosperity.

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