5ST. HELENS CHAMBER OF COMMERCE AND TOURISM

AND

ST. HELENS BUSINESS ENTERPRISE CENTRE

PROPOSED EX-HMAS TOBRUK ARTIFICIAL REEF

INVESTMENT ANALYSIS/BUSINESS CASE

(December 2015)

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Tasmania

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PROPOSED EX-HMAS TOBRUK ARTIFICIAL REEF INVESTMENT ANALYSIS/BUSINESS CASE

1. Background

1.1. Objective

This Report has been prepared to present the results of a range of financial and economic analyses, which have been completed for the St. Helens Chamber of Commerce and the St. Helens Business Enterprise Centre (the Project's Convenor). The findings specifically relate to the preparation of an overall Business Case with two (2) key components. These were:

(i) to support and justify public sector investment in the development of a new dive site with the seabed placement of the Ex-HMAS Tobruk by completing an economic appraisal of the likely viability of the project; and

(ii) to examine the long-term financial viability of the wreck and the Dive Centre, and sustainability of the naval dive wreck, following its placement, to demonstrate the long-run financial viability of the wreck and the Dive Centre.

1.2. The Dive Site

The HMAS Tobruk (L50) is a Landing Ship Heavy (LSH) of the Royal Australian Navy (RAN), which has served the Australian Navy for more than 30 years. In 2016, it is planned that the ship will become Tasmania's first Naval dive wreck and be one of world significance. It is to be located off the coast of St. Helens in the Bay of Fires (a World Heritage listed coastline).

It is expected that the HMAS Tobruk will be de-commissioned in October 2015 and be ready for diving, after placement in October 2016.

The use of ex-naval vessels as artificial dive reefs is most popular worldwide with recreational divers. Across Australia, there are at present six (6) Ex-RAN Naval wrecks, which attract a wide range of divers, their dependents and domestic and international visitors. Box 1 provides a summary of ex-HMAS vessel reefs to-date, and includes the proposed development at St. Helens.

Annual diver demand and resultant annual economic impacts are significant for all locations to-date. Dive tourism worldwide has emerged as a 'boom' coastal tourism activity. Consequently, it has resulted in significant pressures on the quality and value of natural marine resources and dive locations. Thus, the concept of creating artificial reefs

has become widely popular and environmentally beneficial, in order to reduce the impact on natural reefs.

Box 1: Comparable Demand/Benefits of Ex-HMAS Vessel Reefs

Vessel Name	Date of Place-ment	Location (Off-Shore)	Annual Diver[a] Demand	Annual Economic Impact ($ million)
Ex-HMAS Swan	1997	Busselton, WA	4,000	$3.5 - $3.8
Ex-HMAS Perth	2001	Frenchmans Bay/Albany, WA	3,000 (estimated)	$3.0 (estimated)
Ex-HMAS Hobart	2002	Yankallia/Normanville, SA	4,000	$3.5
Ex-HMAS Brisbane	2005	Mudjimba Island/Maroochydore, QLD	5,300[b]	$4.4 +
Ex-HMAS Canberra	2009	Ocean Grove/Queenscliff, VIC	7,000	$5.5 - $6.0
Ex-HMAS Adelaide	2011	Terrigal/Avoca, NSW	5,000	$4.5 - $5.5

[a] Dive demand is based on the actual estimated purchases of dive permits. Visits to the wreck site by outdoor boating groups represent additional visitor demand, which is not included. Families of divers regularly visit the dive sites and are not included in the demand estimated. The economic impact of the dive experience thus covers more than just the dive experience, in terms of total visitor expenditures for the local economies involved.

[b] Based on 31 December 2015 estimate for Ex-HMAS Brisbane dive permit sales from the two outlets. This excludes the number of day trips to the exclusion zone by recreational boaters and sightseeing groups (estimated at between 1,500 to 2,000 additional visitors).

The creation of an artificial reef, such as proposed for the Ex-HMAS Tobruk, off St. Helens, will be a major new tourism sector stimulus for the east coast of Tasmania. It will provide for the depressed local and regional economy of NE Tasmania, new forms of diving opportunities, enhanced recreational fishing, and will promote local tourism, with additional employment, investment and greater utilisation of its existing tourism infrastructure. The proposed artificial reef will be of significant Australian and international diver appeal, and will place St. Helens on a national 'dive trail' for mainland and international divers.

Based on international tourism research findings, there are at least 40 countries worldwide operating artificial reef dive sites. In 2008, the World Tourism Organisation[1] (WTO) suggested that dive tourism will soon be as important as ski and snow tourism. At issue for St. Helens will be to maximise this growing international and mainland interest and awareness in artificial dive sites by promoting the new reef.

2. Project Appraisal Methodology

Infrastructure projects worldwide and across Australia, including those in Tasmania, may be regarded as the 'cutting face' of local and regional development. The primary objective of preparing a Business Case is to develop an understanding of how a specific investment project may be developed and analysed to determine its overall viability. It requires the specification of the project's vision, focus and rationale in terms of direct and quantifiable economic costs and benefits. It needs to show the catalytic effects on the local/regional economy from the investment. Investment analysis, as conducted on a project-by-project basis, relies on cost-benefit analysis (CBA). CBA is the most used of the analytic techniques, which exist for the appraisal and evaluation of infrastructure programs and projects. Its widespread appeal as an investment tool lies in its technocratic aura, its financial orientation, apparent simplicity, neatness/methodological rigour, its emphasis on logic and rationality, and its underpinning of welfare economics principles, in terms of focusing on improving total community welfare.

Distinction needs to be drawn between the decision maker(s) [the environment within which decisions are made] and the analyst(s) who prepares the Business Case and prepares the analysis. 'Good' Business Case results are fundamentally dependent on 'good' inputs and processes from the broadest spectrum of government and the community. For this Business Case, full cooperation to provide estimates and support was experienced. Investment decision makers such as for the proposed St. Helens infrastructure investment can choose not to consider the results of investment analyses, as contained in Business Cases. Project choice can be made without CBA. However for St. Helens, in particular, and Tasmania in general, it is fundamental that international and Australian best practices and procedures be available and that fundamentally sound projects (in economic and financial terms) are prepared and presented.

The preparation of the individual investment analyses has followed the broad principles, which are found throughout Australia, at the Commonwealth and State level. These are as specified in the Australian Government Department of Prime Minister and Cabinet, Office of Best Practice Regulation, and in the Council of Australian Governments (COAG) public sector investment guidelines. For Tasmania, the Department of Treasury and Finance (DTF) project analysis guidelines are outlined in the Project Initiation Process (PIP) document dated April 1997. This document, in referring to the PIP, "establishes a structured framework to be followed by agencies in presenting projects proposed for inclusion in the Capital Investment Program".[2] (See References for details of Guidelines)

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[1] World Tourism Organisation, 2008. Business Economics: Climate Change and Tourism: Responding to Global Challenges (subsequently repeated as a message in a WTO 2013 Press Release).

[2] As contained in the Foreword to the PIP Guidelines Document, April 1997.

Public sector project appraisals differ from private sector investments in that the former require time periods of up to 20 years. All operating and maintenance costs need to be sourced from various forms of user chargers. No taxes are paid on the benefits and there is no repayment of the capital investment in a typical public sector project.

The proposed Dive Centre would be a public asset, and administered by a Trust. Similar models for Trusts running public assets can be found elsewhere in Australia, and in Tasmania, for guidance. The Trust structure at Terrigal, NSW, responsible for the Ex-HMAS Adelaide would appear to represent a useful working example for St. Helens.

2.1. Project Analysis – Key Questions

The following fundamental issues or questions have been addressed in the preparation of the Business Case. They include:

(i) what is the objective(s) of the project;

(ii) what is the situation 'with' and 'without' the project;

(iii) does the project represent the best alternative;

(iv) who are the beneficiaries;

(v) what is the structure/component mix for the project;

(vi) is the project justifiable on broad economic, social and environmental grounds;

(vii) is the project financially sustainable;

(viii) what is the most appropriate timing for implementation and delivery;

(ix) what investment performance measures will be generated and what discount rate should be used; and

(x) is the project a risky investment?

In order to undertake the CBA spread sheet modelling, which underpins the Business Case, the following specific assumptions and procedures were followed:

(i) a time period of 20 years was relied upon, with a residual or salvage value for relevant remaining assets included as a benefit in the 20th year;

(ii) benefit streams only forecast to commence after the project investment has been completed, or significantly completed, to allow benefits to be generated;

(iii) all cost and benefit items were estimated in 2014 constant prices[3], to avoid forecasting inflationary factors over 20 years and to allow for real growth in either specific cost or benefit estimates;

(iv) all capital development costs and O & M costs were net of GST, unless otherwise specified;

(v) benefit streams were forecast to grow on the basis of 'most likely' demand and/or tourism demand. Hence, underlying benefits forecasts are conservative;

(vi) additional charter boat investment and water tour services, linking St. Helens with the dive site, are assumed to be operational by 2016 (after development of the new site);

(vii) additional recreational boat traffic is assumed to increase from St. Helens marina to the dive site;

(viii) a social discount rate of 6.5% has been used for all project viability estimation (the 6.5% has been assumed as the minimum accepted or hurdle rate for all projects). Net present values (NPVs) have been estimated using this discount rate. NPVs, economic internal rates of return (EIRRs) and benefit-cost ratios (BCRs) have been separately estimated. Project selection and project risk analysis have been based on all three (3) criteria. The NPV criteria has been used to rank projects in order of priority; and

(ix) a series of sensitivity tests or 'what-ifs' have been completed to identify the relative levels of project robustness and viability, under alternative possible cost and benefit outcomes. The risk levels to be ascribed to each project scenario have been identified on the basis of the individual sensitivity tests.

2.2. Sensitivity Testing

The economic and financial assessment of any project's uncertainty or risk levels involves two separate components. These are:

(i) identifying the most likely assumptions which vary over time, such as increases in capital costs or decreases in the forecast levels of key benefits; and

(ii) identifying how, under the most adverse tests of assumptions, the extent of changes will affect the overall estimate of viability, and the extent to which the project may be regarded as robust, under all conditions. Table 4, for example, tests the effect of major capital cost increases for the preparation,

[3] This follows procedures accounting for inflation in the Australian Government Department of Prime Minister and Cabinet, Office of Best Practice Regulation: Guidance Note – Cost-Benefit Analysis, July 2014.

transfer and placement of the wreck. These are perhaps the most negative or adverse possible future events.

For the overall business investment proposal, a range of sensitivity tests, or 'what-ifs', have been completed. The results of the tests have been reported in Table 4. The likely variations to the 'most likely' or preferred project status can be identified.

3. Business Plan Components

3.1 Business Plan Scope

A range of key questions need to be satisfied in the preparation of a comprehensive Business Plan regardless of how the capital investment funds are sourced. These include the following:

(i) What is the objective(s) of the Project?

The primary objectives of the proposed Ex-HMAS Tobruk artificial reef development are: (a) to provide a new opportunity for coastal diving in Tasmania, readily accessible to divers and non-divers, in a sheltered tourist-attractive setting. It will be the first use of an Ex-HMAS ship in Tasmania and will form part of an Australia-wide naval ship-based 'dive chain'; (b) to provide a new tourism-related economic stimulus to the NE corner of Tasmania, as part of the economic restructuring away from forestry/wood chipping; and (c) to provide a Dive Centre to support the dive activities and to provide historic displays of wrecks and the role of dive tourism.

(ii) What is the situation 'with' and 'without' the proposed new developments?

The range of future economic and financial implications of investing in a new tourism attraction requires identification and quantification. In the 'do-nothing' scenario, visitors to St. Helens will still visit the waterfront. Offshore visits will be limited in number due to infrequent water transport services from St. Helens. Diving opportunities are currently dependent on limited access to natural reefs. The proposed artificial reef represents a unique, new form of dive activity. The extent to which divers' levels of satisfaction and their interest in (a) planning for a return visit to St. Helens and (b) to recommend the experience to relatives/friends, will be heavily dependent on providing a new dive attraction in easy reach of St. Helens, which is well supported by a tour vessel and a specialised dive centre in St. Helens.

The use of Cost-Benefit Analysis (CBA) to determine the economic and financial viability of the proposed investments has been undertaken to identify the net gains from the new attraction.

(iii) Does the overall project represent the best alternative?

For the development of a new artificial reef, the proposed location is the most appropriate, given:

(a) the open access bordering the Bay of Fires and St. Helens;

(b) a sufficient depth of water, with no current or future maintenance dredging required (no silting up to be a future issue);

(c) able to be easily accessed/egressed by small vessels, with clear signage and buoys to accommodate a range of visiting crafts;

(d) strategically located for access by police/emergency rescue water craft;

(e) dive-related craft will not interfere with the utilisation of St. Helens public wharf; and

(f) ideally located for immediate access by water tours, by bus and private vehicle drop-offs/pick-ups of passengers (commuters and visitors) in close proximity to St. Helens' shops and accommodation. Both traffic to the dive site will be from St. Helens township and also from St. Helens Point at the mouth of the bay. Most traffic will be from Binalong Bay township.

(iv) Who are the beneficiaries?

Ex-HMAS Tobruk will be a Commonwealth/State/local asset with the opportunity to provide additional new recreational and day tourism opportunities adjacent to St. Helens and the Bay of Fires (with Australian and international recognition). Local residents, residents of Hobart, intra-state visitors, and mainland visitors (including international tourists) will all benefit. Pressure will be taken off the natural reefs utilised by divers.

Demand forecasts were developed based on a survey of divers and dive business representatives, a review of research completed for the attraction at Terrigal/Avoca, and for the similar attraction off the coast of Maroochydore. [The Gold Coast City Council's website suggests that if the Ex-HMAS Tobruk was off the Gold Coast, first year demand would be 12,000 in the first year; 7,000 in the subsequent year, and the demand would grow at 1.9% p.a.]. This estimate includes both divers and non-dive visitors to the attraction.

Additional job creation will be significant. During the first year, new full-time and part-time employment will be 16 new jobs. In Years 2 to 5 of the operations, an additional 6 to 8 jobs per year are expected to be generated in tourism-related services. This does not include additional employment benefits from new future accommodation investment.

(v) What is the organisational structure/management of the project?

St. Helens Chamber of Commerce will be responsible for the negotiations with the Commonwealth Government. The development and subsequent maintenance of the proposed support facilities at the site (buoys and signage) would be the responsibility of

local government, given the range of public or common property benefits to be generated. Both components can be undertaken independently and concurrently.

The operation of the Dive Centre will be undertaken by a Trust structure, to be determined based on best practice. The Trust will be responsible for both the wreck after placement and the Dive Centre.

(vi) Is the overall project (dive wreck placement and dive centre development) justifiable on economic, social and environmental grounds?

The proposed project concept has been subjected to a Triple Bottom Line (TBL) assessment prior to the preparation of the economic appraisal of funding via State/local Government capital investment and Chamber of Commerce investment. No adverse environmental impacts can be foreseen. (See Table 8 for details of the pre-screening)

The economic viability of the proposed Project is presented later in the report. It has been found to be justifiable based on forecast economic and social benefits.

(vii) Is the project component financially sustainable for the local economy?

Separate detailed financial analyses have been undertaken to indicate the results of the proposed investment. Within the economic analyses, an analysis has been made of the direct costs and revenues to be generated by the new dive attraction, in the overall capital funding of the project. The project, as proposed, is financially sustainable over a 20-year period.

(viii) What is the appropriate timing of the Project?

The proposed project is a high priority tourism investment for one of Tasmania's iconic and publicised tourism and outdoor recreation attractions (the Bay of Fires). The decommissioning of HMAS Tobruk is expected in October 2014. Placement of the vessel is forecast for completion by June 2016. Diving is forecast to commence in November 2016. Details of the development program are dependent on the actual date of handover.

(ix) Which techniques to employ for project viability assessment?

Across Australia, CBA is the preferred method for establishing public sector investment viability, and to determine priorities for investment scheduling. CBA is required by COAG legislation for a broad range of policy/program reviews. The COAG Guidelines for national/state infrastructure funding requires CBA application. (See Reference List)

For the Business Case preparation for both components, CBA techniques have been developed. The methodology, which has been adopted, is described subsequently.

(x) Is the proposed overall development a risky proposal?

The economic/financial analyses of the project's components have involved the use of sensitivity testing of key CBA variables to determine how robust or 'risky' the likely

results are. Changes to both the costs and the benefit/revenue streams have been iteratively examined in the spreadsheet models. The results for both components have been presented to identify the likely level of project risk under conditions of uncertainty or adverse change. A more detailed financial sensitivity test involving the possible likelihood of three (3) risk factors occurring simultaneously has been done. It shows that the project investment in the Dive Centre remains viable.

4. Overall Project Analysis Findings

4.1 Development Costs

The total cost for the overall project has been estimated at $9.13 million. This is exclusive of GST (10%) and includes a 10% contingency (price and physical quantities).

For both major components, the separate total economic costs were as follows:

(i) Decommissioning, cleaning, transfer and placement of Ex-HMAS Tobruk and provision of buoys and signage at the dive site: $8.380 million (with contingency)

(ii) Construction and fit-out of a Dive Centre building in St. Helens' town centre: $750,000

4.2 Operating and Maintenance (O&M) Costs and Periodic Replacement Costs

For the buoys and signage, annual maintenance costs are not expected to be significant ($15,600 p.a.). Given its public sector nature, annual safety inspections will be required. Annual escalation of 3% is assumed.

For the Dive Centre, an annual operating cost of $19,500 has been assumed. This includes costs of electricity, cleaning, display and marketing materials. An annual escalation factor of 3% has been assumed. (See Table 10)

4.3 Economic Impact

Based on a detailed survey questionnaire completed by approximately 200 divers and dive business representatives in Tasmania and across all Australian states, a series of responses were obtained in relation to typical dive expenses and likely levels of future visits to the St. Helens site. Diver interest was highly positive. It highlighted the potential interest in this new form of dive activity, particularly for divers interested in naval wrecks across Australia and worldwide.

Average expenditure patterns were reported, in terms of food, accommodation, travel, and equipment hire. Length of stay details for their last dive experience was also recorded. Based on the survey responses and from dive industry representative

experience in St. Helens, a minimum annual gross expenditure estimate for the first 3 years of dive experience at the proposed new dive site has been estimated. These estimates are reported in Table 1 and are conservative. They are based on the following annual dive demand (in terms of dive visits):

Year Ended June

2017: 3,300 (initial start-up on November 2016) – 5,000 in a full year
2018: 6,000
2019: 7,000 (sustainable demand)

Table 2 provides a more comprehensive 20-year estimation of the likely economic impact at the local/regional/state level of visits by divers with their families/dependents and by day visitors. The total forecast annual impact is expected to range from $3.74 million (after the first year of operations) to $7.29 million in 2035. These estimates are conservative. They do not include all likely day visitor expenditures in the St. Helens town centre and at the Dive Centre. They also do not reflect all airline and ground transport costs. The forecast economic impact estimates are broadly in line with the individual dive site demand estimates and economic impacts associated with Naval wrecks in other parts of Australia (see Box 1).

4.4 Economic Results/Project Viability Estimates

Table 3 provides a detailed presentation of all cost and benefit/revenue items estimated for the overall project. The individual forecast benefit estimates 'with' the completion of both components are summarised in terms of:

(i) State/public sector-related
(ii) Local government-related
(iii) Private sector-related
(iv) Dive Centre-related

Each of the benefit items is explained in terms of the underlying assumptions in the accompanying Table 3a. These footnotes also detail the various cost and benefit estimation components.

The economic viability of the overall project is estimated to be robust and highly viable, over 20 years. The following investment criteria were estimated:

(i)	Economic Internal Rate of Return (EIRR)	=	45.73%
(ii)	Net Present Value (NPV)	=	$46.88 million
(iii)	Benefit-Cost Ratio (BCR)	=	6.02

4.5 Sensitivity Test Results

Table 4 provides a summary of the results of the sensitivity tests completed, to identify the relative robustness of the economic viability under a range of adverse cost and

revenue assumptions. All estimates indicate that the Project is highly robust. No significant areas of project risk have been identified (technical, economic, social or environmental).

4.6 Intangible or Non-Quantifiable Benefits

In many public sector investment projects, there are frequently wider economic and social benefits (WEBs), which cannot be reliably estimated and monetised. They are not included in CBA estimation due to the lack of accuracy. For the proposed project, a number of potential additional gains have been identified. These are listed in Table 5. Key additional benefits will include: (i) an overall increase in the volume and level of expenditures of day visitors, stopping in St. Helens, to visit the Dive Centre and enquire about the wreck; (ii) increased utilisation of existing accommodation facilities in the St. Helens area; (iii) increased employment associated with both the boat trips to/from the dive site and in the selling/rental/servicing of dive equipment; and (iv) increased future investment in low-cost accommodation to specifically suit the needs of divers/dive parties.

5. Financial Analysis of the Trust

Table 7 provides a detailed analysis of the ongoing operations and maintenance of the Ex-HMAS Tobruk dive attraction, including the Dive Centre in St. Helens. This assumes that the day-to-day operations will be the functional responsibility of a special Trust to be established. This Trust will be modelled on successful Trusts elsewhere in Tasmania and across Australia.

The financial costs and forecast revenues over the 20-year period indicate that the Trust will be a highly viable business entity. It has been subjected to very rigorous sensitivity testing (see Table 7). The Net present Value (NPV) of net revenues, after annual costs, is estimated at $2.82 million. The Benefit-Cost Ratio is expected to be 2.91.

These results indicate that following the placement of the Ex-HMAS Tobruk, the installation of all buoys, signage, etc. at the site and the development of a new Dive Centre for subsequent leasing for retail activities will be financially sustainable. The dive facility and the Dive Centre will not require any forward State Government or local Government financial support over the 20-year life of the proposed attraction.

6. Summary and Recommendations

- The proposed development of a new artificial dive reef in St. Helens, utilising the Ex-HMAS Tobruk, is likely to be a highly attractive public sector investment. It will be a major economic development incentive for the local economy, in general, and for the town/waterfront precinct, in particular. As a naval wreck, it will be unique to Tasmania's dive tourism sector.

- The Dive Centre is forecast to be financially viable in its own right. Financial revenues from dive permits and Dive Centre revenues will support all dive site operating and maintenance costs. It will not require any future State or Local Government funding support.

- There are major synergies to be captured for St. Helens from the joint collaboration of the St. Helens Chamber of Commerce and State/local government, in the development of the new dive attraction and the rehabilitation/expansion of its public wharf and recreational/commercial fishing activities, with improved bar way conditions and easier open sea access.

- The proposed artificial reef project is identified to be a most attractive economic investment and should be taken forward for implementation. As a potential world-class tourism attraction, it represents one of St. Helens' most promising opportunities for economic recovery and growth of the northeast economy of Tasmania.

APPENDIX – List of Tables

Table 1: Summary of Forecast Annual Gross Expenditures on Dive-Related Activities [1/] for Ex-HMAS Tobruk Artificial Reef

		Project Year (after placement)		
		Year 2 2016	Year 3 2017	Year 4 2018
1.	Tasmanian travel costs	147,800	268,700	313,500
2.	Interstate car hire	207,900	378,000	450,000
3.	Dive permits [2/]	157,800	288,750	337,250
4.	Training courses	36,300	60,500	66,000
5.	Equipment rental/tanks/charter boat trips	861,300	1,566,000	1,827,000
6.	Day visit food costs with family/dependents	76,230	138,600	161,700
7.	Accommodation expenditures			
	- Low cost	124,500	210,000	257,250
	- Medium/High	290,500	510,000	624,750
		415,000	720,000	882,000
8.	Food expenditures (with overnight divers/families/dependents)	34,650	60,000	73,500
9.	Visitor expenditures (non-divers for families)	118,800	216,000	252,000
	Sub-totals	**2,055,780**	**3,696,550**	**4,362,950**

1/ Excludes costs of interstate airfares to/from St. Helens via Hobart or Launceston.

2/ Assumes an averge number of dive days of 2.5 (permit fee of $20.00 per dive session).

3/ Excludes costs of purchases of equipment/wet suits, etc.

Table 2: Economic Impact of Ex-HMAS Tobruk Artificial Reef
($ '000s): 2014 Constant Prices[a/]

	Year Ended June	Economic Benefits													
		Dive Activity-Related									Non-Dive Specific				
		Tasmanian Dive Travel (WTP)[2/]	Car Hire (Interstate)[3/]	Dive Training Courses[4/]	Equipment Rental/ Charter Trips[5/]	Dive Permits[6/]	Additional Dive Activity Employment[7/]	Additional Dive Industry Investment[8/]	Additional Accomo-dation Costs[9/]	Day Diver/ Family Expenditures[10/]	Food Expenditures for Divers/ Family[11/]	Other Visitor Expenditures (Family)[12/]	Additional Employment (Visitor Induced)[13/]	Lease of Dive Centre (Commercial)[14/]	Total Economic Benefits
1	2016														0.00
2	2017[1/]	147.79	207.90	36.30	861.30	157.80	233.10	261.00	415.80	76.23	34.65	118.80	141.75	26.40	2,718.82
3	2018	268.71	378.00	60.50	1,566.00	288.75	233.10		720.00	138.60	60.00	216.00	255.15	39.60	4,224.41
4	2019	313.50	450.00	66.00	1,827.00	337.25	233.10		882.00	161.70	73.50	252.00	311.85	39.60	4,947.50
5	2020	322.91	463.50	66.00	1,881.81	347.37	233.10		908.46	166.55	75.71	259.56	321.21	40.79	5,086.95
6	2021	332.59	477.41	66.00	1,938.26	357.79	233.10		935.71	171.55	77.98	267.35	330.84	42.01	5,230.59
7	2022	342.57	491.73	66.00	1,996.41	368.52	233.10		963.79	176.69	80.32	275.37	340.77	43.27	5,378.53
8	2023	352.85	506.48	66.00	2,056.30	379.58	233.10		992.70	181.99	82.72	283.63	350.99	44.57	5,530.92
9	2024	363.43	521.67	66.00	2,117.99	390.97	233.10		1,022.48	187.45	85.21	292.14	361.52	45.91	5,687.87
10	2025	374.34	537.32	66.00	2,181.53	402.69	233.10		1,053.15	193.08	87.76	300.90	372.37	47.28	5,849.53
11	2026	385.57	553.44	66.00	2,246.98	414.77	233.10		1,084.75	198.87	90.40	309.93	383.54	48.70	6,016.05
12	2027	397.13	570.05	66.00	2,314.39	427.22	233.10		1,117.29	204.84	93.11	319.23	395.04	50.16	6,187.55
13	2028	409.05	587.15	66.00	2,383.82	440.03	233.10		1,150.81	210.98	95.90	328.80	406.89	51.67	6,364.21
14	2029	421.32	604.76	66.00	2,455.34	453.24	233.10		1,185.33	217.31	98.78	338.67	419.10	53.22	6,546.16
15	2030	433.96	622.91	66.00	2,529.00	466.83	233.10		1,220.89	223.83	101.74	348.83	431.67	54.82	6,733.57
16	2031	446.98	641.59	66.00	2,604.87	480.84	233.10		1,257.52	230.55	104.79	359.29	444.62	56.46	6,926.61
17	2032	460.39	660.84	66.00	2,683.01	495.26	233.10		1,295.25	237.46	107.94	370.07	457.96	58.15	7,125.43
18	2033	474.20	680.67	66.00	2,763.50	510.12	233.10		1,334.10	244.59	111.18	381.17	471.70	59.90	7,330.22
19	2034	488.42	701.09	66.00	2,846.41	525.42	233.10		1,374.13	251.92	114.51	392.61	485.85	61.70	7,541.16
20	2035	503.08	722.12	66.00	2,931.80	541.19	233.10		1,415.35	259.48	117.95	404.39	500.43	63.55	7,758.42

Footnotes: See Table 2a.

Total Expenditures (Undiscounted) = $113,184.49[15/]
($113.18 million)
Total Expenditures (Discounted) @ 6.5% = $59,690.33
($59.69 million)
Annual Economic Impact = $2.72 - $7.76 million

[a/] The term constant prices refers to real values for all costs and benefits, without inclusion of any inflation/CPI indexation. This allows for identification of which cost and benefit items are expected to grow in real terms, as related to increases in demand and opportunities to increase revenue/profit levels.

Table 2a: Footnotes to Economic Impact Estimation of Divers/Visitors to Ex-HMAS Tobruk Artificial Reef

1/ Assumes that dive operations will commence in November 2016, after placement of the wreck in October 2016. Assumes ship decommissioning by October 2014. Total annual diver participation of between 5,000 and 7,000 per year. For the first 8 months, the assumed demand is 3,300 dive visits. This is most conservative as 5,000 dive visits could be achieved within the first 8 months due to the major interest in the new wreck. (See Box 1 for demand estimates to other Naval Wreckattractions).

2/ Based on estimated travel costs (by private vehicle) of Tasmanian divers to reach St. Helens (assumes the willingness-to-pay [WTP] of the travel costs is a minimum value estimate of the dive visit/dive experience).

3/ Based on car hire at Hobart and Launceston airports for 50% of interstate dive visitor parties, for 3 days hire.

4/ Based on 2 weekend courses for new divers; maximum class of 6. Assumes fees of $550 per student; 100 to 120 students per year.

5/ Covers rental of tanks and other equipment for 2 to 3 days and boat charter trips to the dive site. Assumes 25% of interstate divers and 50% of Tasmanian divers will rent equipment.

6/ Assumes daily permit cost of $20 (average of 2.5 days diving), which includes a one-off Service Tasmania (ST) booking fee of $1.20. This ST fee has been deducted from the Dive revenues (assumes 50% of dive permits). The remaining 50% are assumed to be booked on line (an annual cost to the Dive Centre of $900).

7/ Assumes additional job creation of 4 full-time and 4 part-time jobs in dive-related activities (ranging from $35,000 to $60,000/year, before tax and superannuation).

8/ Based on initial investment in tanks, equipment, masks, wet suits, etc. and a charter boat (15 pax).

9/ Based on 3 nights accommodation (mix of low and medium cost facilities).

10/ Assumes basic diver breakfast/lunch/dinner and drinks, food expenditures of $65 per day for overnight divers, and $55 per diver/family for day visit food/drinks.

11/ Covers food costs for family/partners not involved with diving (assumes $65 per day).

12/ Covers additional costs for non-divers of RSL/hotel/restaurant meals, magazines/papers and souvenirs ($90 per day).

13/ Derived from induced visitor expenditures of all non-divers, over 2 to 3 days. Assumes $120,000 of expenditure per full-time job generation (5 to 11 full-time jobs, with tax and superannuation deduced).

14/ Based on a likely annual rental income of $39,600 in lieu of alternative revenue derived from the gross turnover of sales of dive-related and marine-related products in the Dive Centre (souvenirs, T-shirts, memorabilia, books, post cards, magazines, videos/DVDs, charts, wet suits, towels, etc.). Assumes that the Dive Centre business space will be leased out rather than operated by the Dive Trust (180 square metres). The remaining building space will be for the Dive Centre displays and museum features. The commercial rental income will be capped for the first 3 years.

15/ Estimated total expenditures over the 20-year period (undiscounted and discounted). Annual economic expenditure impact on the local/regional economy of between $2.72 million and $7.76 million.

Table 3: Economic Appraisal of Ex-HMAS Tobruk Artificial Reef
($ '000s): 2014 Constant Prices

		Economic Costs						Economic Benefits													
								Dive Activity-Related									Non-Dive Specific					
	Year Ended June	[1] Initial Capital Deve-lopment	[2] Dive Centre Estab-lishment Costs	[3] Operating & Maintenance: Buoys/ Signage	Envr/ Structural Monitoring	Dive Centre	Total Costs	[2] Tasmanian Dive Travel (WTP)	[3] Car Hire (Interstate)	[4] Dive Training Courses	[5] Equipment Rental/ Charter Trips	[6] Dive Permits	[7] Additional Dive Activity Employment	[8] Additional Dive Industry Investment	[9] Additional Accomo-dation Costs	[10] Day Diver/ Family Expenditures	[11] Food Expenditures for Divers/ Family	[12] Other Visitor Expenditures (Family)	[13] Additional Employment (Visitor Induced)	[14] Lease of Dive Centre (Commercial)	Total Economic Benefits	Net Benefit Stream
1	2016	8,380.00	750.00				9,130.00														0.00	-9,130.00
2	2017			15.60	25.20	19.50	60.30	147.77	207.90	36.30	861.30	157.80	233.10	261.00	415.80	76.23	34.65	118.80	141.75	26.40	2,718.80	2,658.50
3	2018			16.07	25.96	20.09	62.11	268.70	378.00	60.50	1,566.00	288.75	233.10		720.00	138.60	60.00	216.00	255.15	39.60	4,224.40	4,162.29
4	2019			16.55	26.73	20.69	63.97	313.50	450.00	66.00	1,827.00	337.25	233.10		882.00	161.70	73.50	252.00	311.85	39.60	4,947.50	4,883.53
5	2020			17.05	27.54	21.31	65.89	322.91	463.50	66.00	1,881.81	347.37	233.10		908.46	166.55	75.71	259.56	321.21	40.79	5,086.95	5,021.06
6	2021			17.56	28.36	21.95	67.87	332.59	477.41	66.00	1,938.26	357.79	233.10		935.71	171.55	77.98	267.35	330.84	42.01	5,230.59	5,162.72
7	2022			18.08	29.21	22.61	69.90	342.57	491.73	66.00	1,996.41	368.52	233.10		963.79	176.69	80.32	275.37	340.77	43.27	5,378.53	5,308.63
8	2023			18.63	30.09	23.28	72.00	352.85	506.48	66.00	2,056.30	379.58	233.10		992.70	181.99	82.72	283.63	350.99	44.57	5,530.92	5,458.91
9	2024			19.19	30.99	23.98	74.16	363.43	521.67	66.00	2,117.99	390.97	233.10		1,022.48	187.45	85.21	292.14	361.52	45.91	5,687.87	5,613.71
10	2025			19.76	31.92	24.70	76.39	374.34	537.32	66.00	2,181.53	402.69	233.10		1,053.15	193.08	87.76	300.90	372.37	47.28	5,849.53	5,773.15
11	2026			20.35	32.88	25.44	78.68	385.57	553.44	66.00	2,246.98	414.77	233.10		1,084.75	198.87	90.40	309.93	383.54	48.70	6,016.05	5,937.37
12	2027			20.97	33.87	26.21	81.04	397.13	570.05	66.00	2,314.39	427.22	233.10		1,117.29	204.84	93.11	319.23	395.04	50.16	6,187.55	6,106.52
13	2028			21.59	34.88	26.99	83.47	409.05	587.15	66.00	2,383.82	440.03	233.10		1,150.81	210.98	95.90	328.80	406.89	51.67	6,364.21	6,280.74
14	2029			22.24	35.93	27.80	85.97	421.32	604.76	66.00	2,455.34	453.24	233.10		1,185.33	217.31	98.78	338.67	419.10	53.22	6,546.16	6,460.19
15	2030			22.91	37.01	28.64	88.55	433.96	622.91	66.00	2,529.00	466.83	233.10		1,220.89	223.83	101.74	348.83	431.67	54.82	6,733.57	6,645.02
16	2031			23.60	38.12	29.50	91.21	446.98	641.59	66.00	2,604.87	480.84	233.10		1,257.52	230.55	104.79	359.29	444.62	56.46	6,926.61	6,835.40
17	2032			24.30	39.26	30.38	93.95	460.39	660.84	66.00	2,683.01	495.26	233.10		1,295.25	237.46	107.94	370.07	457.96	58.15	7,125.43	7,031.49
18	2033			25.03	40.44	31.29	96.76	474.20	680.67	66.00	2,763.50	510.12	233.10		1,334.10	244.59	111.18	381.17	471.70	59.90	7,330.22	7,233.46
19	2034			25.78	41.65	32.23	99.67	488.42	701.09	66.00	2,846.41	525.42	233.10		1,374.13	251.92	114.51	392.61	485.85	61.70	7,541.16	7,441.49
20	2035			26.56	42.90	33.20	102.66	503.08	722.12	66.00	2,931.80	541.19	233.10		1,415.35	259.48	117.95	404.39	500.43	63.55	8,358.42	8,255.76

Residual Value (Building Only) = 600.00 [18]

Economic Internal Rate of Return (EIRR) = 45.73% [17]
Net Present Value of Benefits @ 6.5% = $56,217.51
Net Present Value of Costs @ 6.5% = $9,333.11
Net Present Value @ 6.5% = $46,884.40
Benefit-Cost Ratio (BCR) = 6.02

Table 3a: Footnotes to Economic Appraisal of Ex-HMAS Tobruk Artificial Reef

1/ Based on an estimated total capital development/placement cost of $9.13 million (includes preparation, transfer, placement of vessel, provision of buoys, markers and signage for divers and the Dive Centre).

2/ Development and fit-out of a specialised Dive Centre facility in St. Helens ($750,000).

3/ Annual operating and maintenance costs of buoys, signage plus power, consumables, cleaning, insurances for the Dive Centre.

4/ As per Table 2a travel demand/travel cost estimates.

5/ Only the gross margin (30%) of the total costs of car hire and petrol sales is included as a net benefit (need to deduct 'leakages' to the mainland of car payments and fuel production/distribution costs and fuel excesses/taxes).

6/ As per Table 2a.

7/ Based on the gross margin (30%) of the total costs of equipment rental/charter trips.

8/ As per Table 2a.

9/ As per Table 2a.

10/ As per Table 2a.

11/ As per Table 2a.

12/ As per Table 2a.

13/ As per Table 2a.

14/ As per Table 2a.

15/ As per Table 2a.

16/ As per Table 2a.

17/ Conventional economic analysis/Business Case investment criteria as required for Commonwealth/State/Local Government public sector investment projects, completed for 20 years.

18/ Residual value of the Dive Centre (80%) is included as a benefit in the 20th year.

Table 4: Sensitivity Testing for the Economic Appraisal (Table 3)

		EIRR
	Base Case (Investment of $9.13 million)	45.73%
What if:		
(a)	Total capital investment/development costs of the wreck increase to $10.0 million (20%): full delivery cost	39.81%
(b)	Total investment/development costs of the wreck increase to $12.0 million (43%)	34.42%
(c)	Total economic benefits are reduced by 20%	37.72%
(d)	Total economic benefits are reduced by 50%	24.83%
(e)	Development and opening of the dive site is delayed by one (1) year	35.17%
(f)	All three (3) risk conditions occur simultaneously (a), (c) and (e) Worst Case Scenario: Increase in Capital Development, Reduction in Benefits, Delay in Commencement	26.49%

Table 5: List of Intangible or Wider Economic Benefits of the Ex-HMAS Tobruk Artificial Reef

(i) Increase in the volume of day visitors stopping in St. Helens, to visit the Dive Centre and display of the wreck.

(ii) Increase in the level of day visitor expenditures in St. Helens (meals, petrol, souvenirs).

(iii) Increase in the level of overnight tourism accommodation demand (hotel, motels).

(iv) Increased investment in low-cost/budget accommodation for dive parties.

(v) Opportunities for school education visits to the dive site and to the Dive Centre for history appreciation of shipwrecks and Australian naval history.

(vi) Increased employment associated with boat trips to/from the dive site.

(vii) Increased employment in dive-related equipment sales and servicing and additional employment in the Dive Centre (sales) and museum visitor assistance.

(viii) Provision of incentives for Tasmanian and interstate dive enthusiasts to relocate to St. Helens (permanent and seasonal).

(ix) Increased employment opportunities associated with charter boat operations to/from the site and for the operation/maintenance of the site (signage, dive facilities).

Table 6: Comparable Demand/Benefits of Ex-HMAS Vessel Reefs

Vessel Name	Date of Placement	Location (Off-shore)	Annual Diver Demand	Annual Economic Impact ($ million)
ex-HMAS Canberra	2009	Ocean Grove/Queenscliff, VIC	7,000	$5.5 - $6.0
ex-HMAS Adelaide	2011	Terrigal/Avoca, NSW	5,000	$4.5 - $5.5
ex-HMAS Swan	1997	Busselton, WA	4,000	$3.5 - $3.8
ex-HMAS Brisbane	2005	Mudjimba Island/Maroochydore, QLD	5,300	$4.4 +
ex-HMAS Tobruk	2016	St. Helens, Tasmania	5,000 [1/] (forecast, first year)	$3.7 - $4.7 [1/] (forecast, first year)

[1/] The Gold Coast City Council has estimated that, should the HMAS Tobruk be placed off Surfers Paradise/ Southport, the forecast first-year demand would be 12,000 divers and visitors in the dive party, reducing to 7,000 divers and dive party visitors in subsequent years. The estimated annual demand growth would be 1.9% and the injection into the wider economy (the annual economic impact would be $12 million, creating 104 full-time jobs). Hence, the demand and economic impact estimates for St. Helens placement would appear conservative.

Table 7: Financial Analysis of the Ex-HMAS Tobruk Artificial Reef's Trust Management (Post Scuttling) ($ '000s): 2014 Constant Prices

Year Ended June		Financial Costs				Financial Revenues			Net Revenue Stream
		Envi-ronmental/ Structural Monitoring [2/]	Buoys/ Signage [3/]	Dive Centre [4/]	Total Costs	Dive Permits [5/]	Lease of Dive Centre [6/]	Total Revenues	
1	2016							0.00	0.00
2	[1/] 2017	75.00	15.60	19.50	110.10	158.56	26.40	184.96	74.86
3	2018	77.25	16.07	20.09	113.40	288.75	39.60	328.35	214.95
4	2019	79.57	16.55	20.69	116.81	337.25	39.60	376.85	260.04
5	2020	81.95	17.05	21.31	120.31	347.37	40.79	388.16	267.85
6	2021	84.41	17.56	21.95	123.92	357.79	42.01	399.80	275.88
7	2022	86.95	18.08	22.61	127.64	368.52	43.27	411.79	284.16
8	2023	89.55	18.63	23.28	131.47	379.58	44.57	424.15	292.68
9	2024	92.24	19.19	23.98	135.41	390.97	45.91	436.87	301.46
10	2025	95.01	19.76	24.70	139.47	402.69	47.28	449.98	310.51
11	2026	97.86	20.35	25.44	143.66	414.77	48.70	463.48	319.82
12	2027	100.79	20.97	26.21	147.97	427.22	50.16	477.38	329.42
13	2028	103.82	21.59	26.99	152.40	440.03	51.67	491.70	339.30
14	2029	106.93	22.24	27.80	156.98	453.24	53.22	506.45	349.48
15	2030	110.14	22.91	28.64	161.69	466.83	54.82	521.65	359.96
16	2031	113.44	23.60	29.50	166.54	480.84	56.46	537.30	370.76
17	2032	116.85	24.30	30.38	171.53	495.26	58.15	553.42	381.88
18	2033	120.35	25.03	31.29	176.68	510.12	59.90	570.02	393.34
19	2034	123.96	25.78	32.23	181.98	525.42	61.70	587.12	405.14
20	2035	127.68	26.56	33.20	187.44	541.19	63.55	604.73	417.30

(See Table 7a for Footnotes)

Financial Internal Rate of Return (FIRR) =	**not estimated**
Net Present Value of Revenues @ 6.5% =	**$4,297.89**
Net Present Value of Costs @ 6.5% =	**$1,478.53**
Net Present Value (NPV) @6.5% =	**$2,819.36**
Benefit-Cost Ratio (BCR) =	**2.91**

Table 7a: Footnotes to Table 7

1/ Assumes that all financial revenues will begin by 1 November, after completion of the scuttling and placement.

2/ Annual monitoring of the vessels to include environmental and structural assessments.

3/ Covers maintenance of buoys and signage (as noted in Tables 2 and 3).

4/ Covers all operating and maintenance costs for the Dive Centre (as noted in Tables 2 and 3).

5/ Estimates of Dive permit revenues, net of Service Tasmania booking fee or on-line banking fee (annual) (annual Dive visits range from 3,300 in Year 2 (8 months demand) to 7,000 in Year 4, as noted in Tables 2 and 3).

6/ Based on annual lease revenues of $39,600 per month for the Dive Centre commercial space, in lieu of a gross operating margin for all retail expenditures.

Table 8: Summary of Commonwealth, State and Trust Benefits/Revenues Forecast for the Ex-HMAS Tobruk Artificial Reef Diving Attraction ($ '000s: 2014 Constant Prices)

Year Ended June		Commonwealth Government				State Government			Trust Revenues [5/]		
		PAYE Tax from [1/] Additional Employment		GST [2/] Revenue	Total	Economy-Wide [3/] Expenditures	Service [4/] Tasmania Revenues	Total	Dive Permits	Lease with Dive Centre	Total
		Dive	Non-Dive								
1	2016				0.00			0.00			0.00
2	2017	33.85	49.90	312.24	395.99	2,610.26	1.98	2,612.24	158.56	37.98	196.54
3	2018	51.28	51.40	418.32	521.00	3,416.04	3.60	3,419.64	288.75	56.16	344.91
4	2019	51.28	52.94	483.21	587.43	3,518.52	4.20	3,522.72	337.25	57.84	395.09
5	2020	51.28	54.53	496.32	602.13	3,624.08	4.33	3,628.40	347.37	59.58	406.94
6	2021	51.28	56.16	509.83	617.27	3,732.80	4.46	3,737.25	357.79	61.36	419.15
7	2022	51.28	57.85	523.42	632.55	3,844.78	4.59	3,849.37	368.52	63.20	431.73
8	2023	51.28	59.58	538.07	648.93	3,960.13	4.73	3,964.85	379.58	65.10	444.68
9	2024	51.28	61.37	552.83	665.48	4,078.93	4.87	4,083.80	390.97	67.05	458.02
10	2025	51.28	63.21	568.03	682.52	4,201.30	5.02	4,206.31	402.69	69.06	471.76
11	2026	51.28	65.11	583.69	700.08	4,327.34	5.17	4,332.50	414.77	71.14	485.91
12	2027	51.28	67.06	599.82	718.16	4,457.16	5.32	4,462.48	427.22	73.27	500.49
13	2028	51.28	69.07	616.43	736.78	4,590.87	5.48	4,596.35	440.03	75.47	515.50
14	2029	51.28	71.15	633.54	755.97	4,728.60	5.64	4,734.24	453.24	77.73	530.97
15	2030	51.28	73.28	651.17	775.73	4,870.46	5.81	4,876.27	466.83	80.06	546.90
16	2031	51.28	75.48	669.32	796.08	5,016.57	5.99	5,022.56	480.84	82.47	563.30
17	2032	51.28	77.74	688.01	817.03	5,167.07	6.17	5,173.23	495.26	84.94	580.20
18	2033	51.28	80.07	707.28	838.63	5,322.08	6.35	5,328.43	510.12	87.49	597.61
19	2034	51.28	82.48	727.11	860.87	5,481.74	6.54	5,488.28	525.42	90.11	615.54
20	2035	51.28	84.95	747.54	883.77	5,646.19	6.74	5,652.93	541.19	92.82	634.00
		Net Present Value @ 6.5% =			**$6,618.67**			**$41,244.55**			**$4,508.78**

Allocation of Benefits/Revenues:	**Common-wealth**	**State**	**Trust**
Year 2	12.2%	81.6%	6.1%
Years 3 to 20	12.0%	79.8%	8.1%

Footnotes:

[1/] Based on an assumed average PAYE tax deduction of 28% for each new job created (part-time/full-time). Company tax revenues have not been estimated.

[2/] GST is 10% on all tourism-related expenditures.

[3/] Covers both direct expenditure impacts related to dive activities and non-dive specific activities (as identified in Tables 2 and 3). GST is deducted from all expenditure estimates.

[4/] Service Tasmania (ST) revenue is based on a one-off booking fee of $1.20 per dive permit (if divers use the ST office to obtain permits).

[5/] Trust revenues, as derived from the issue of permits, net of the ST fees and from the lease of the Dive Centre building for retaining/marketing activities.

Table 9: Pre-Feasibility Screening of Development/Investment Options For the Ex-HMAS Tobruk (Triple Bottom Line Assessment for Project Ranking)

Site 3: Wreck Placement and Dive Centre

Criteria/Potential Impact	Rating (See Legend) (-3 to +3)
Economic/Financial	
▪ Total capital investment	+3
▪ Flow-on benefits for tourism, other economic activities	+3
▪ Local and regional employment generation	+3
▪ Induced tourism investment	+3
▪ Increased existing public sector asset utilisation	+3
Social	
▪ Overall amenity/scenic impacts	+3
▪ Visual appeal of building and landscaping	+2
▪ Heritage value	+3
▪ Land tenure	+1
▪ Public safety improvement	+1
▪ Workplace health and safety improvement	+1
▪ Additional outdoor recreational opportunities	+3
Environmental	
▪ Inland waters and wetlands	0
▪ Groundwater	0
▪ Terrestrial biodiversity	0
▪ Multiple water uses	+1
▪ Solid waste generation and disposal	-1
▪ Other resource usage	+1
▪ Fauna protection	0
▪ Electricity and utilities	+1
▪ Greenhouse gas emissions	-1
▪ Land degradation/erosion	0
Governance	
▪ Local laws and policies	0
▪ State laws and policies	0
- DPIWE requirements	
- State-wide sustainability requirements	
- Project initiation process and investment guidelines (DTF)	

Score/Rating: 30 (Significant Benefits)

Legend:

3 : Major Benefit
2 : Significant Benefit
1 : Minor Benefit
0 : No Change
-1 : Minor Negative Impact
-2 : Significant Negative Impact
-3 : Major Negative Impact

Rating (Level of Potential Benefits)

0 - 5:	Unsuccessful
6 - 10:	Marginal
11 - 15:	Minor positive benefits
16 - 30:	Significant benefits
> 30:	Major benefits

Table 10: Summary of Development Costs:
(Ex-HMAS Wreck Preparation/Transfer/Placement
and Dive Centre Development in St. Helens)
[Including Operating Costs]

(a) Ex-HMAS Tobruk

Cost Items	Cost
• Acquisition Transfer	$5.80 million
• Preparation	$1.60 million
• Placement	$700,000
• Buoys/Cables	$55,000
• Signage	$20,000
• Environmental Monitoring	$120,000
• Launch Marketing	$85,000
Sub-total	**$8.38 million**

(b) Dive Centre in St. Helens

Cost Items	Cost
• Land (Building Site)	0
• Building Construction	$690,000
• Fit-Out/Flooring/Furniture	$35,000
• Displays (Museum)	$25,000
Sub-total	**$750,000**

Summary of Dive Centre Annual Operating Costs

Cost Item	Cost
• Electricity	6,000
• Consumables	2,000
• Insurance	5,000
• Cleaning	1,500
• Accounting	5,000
Sub-total	**$19,500**

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