Tasmanian Government

DEPARTMENT OF STATE GROWTH

Dept. Ref MIG22/729

Critical Date URGENT

NOTED

SIGNED:

DATE: 31/5/22

Issues Briefing Note for the Premier

SUBJECT: PORT OF HOBART FUEL BARGE – MARINE FUEL SUPPLY

Minister's notation: I support next steps (strongly) as outlined on last page of the brief. JR

Background:

The prospect of a fuel barge to service the maritime needs of the Port of Hobart has been considered by government a number of times. Historically, it has fallen to a failure to substantiate sufficient demand to support economic benefit. However, previous studies have been limited in their scope and have not fully considered the broader social and economic benefits.

In July 2021 VIVA Energy (Shell), with support from State Growth, put in a submission for grant funding under the Australian Government's Regional Recovery Partnership Program, seeking a $3 million contribution toward a $6 million project to support the construction of a fuel barge. VIVA was committed to the project and presented a strong case; however, funding was limited and this submission was ultimately unsuccessful.

In April 2016, the then Minister for State Growth approved a submission from the inter-governmental Antarctic Gateway Taskforce to the Joint Commonwealth and Tasmanian Economic Council which recommended:

1. The Council provides in-principle support to ongoing collaboration between the Tasmanian Government and the state's polar sector, with input from the Commonwealth, aimed at evaluating the public good benefits of procuring a fuel barge to provide quayside bunkering in Hobart's Port, without the need to transit under the Tasman Bridge to Selfs Point.
2. The Council note that procurement of a motorised fuel barge (costing approximately $8.4 million) is seen by the Taskforce as a high and critical priority for consolidating Tasmania's position as a significant Antarctic gateway, and for attracting use of Hobart's port by Antarctic research and supply vessels.
3. The Council endorses more work to extend the study already undertaken by TasPorts and provide a comprehensive economic and 'public good' case for procuring a fuel barge.

A 2016 report to the Department of State Growth considered whether other sources of revenue (such as supply of fuel to naval or aquaculture vessels or supply to marinas or outlying ports) or other broader economic arguments (such as the potential to attract more visitation and/or mitigate the risk of losing current users or reducing the number of ship movements under the Tasman Bridge) could improve the feasibility of a fuel barge.

This report found that there appeared to be no other identified revenue sources and that further work was required to ascertain demand (actual and latent) for a fuel barge available wharf side or at other locations south of the Tasman Bridge. Further, a funding model to cover operating and maintenance costs of a fuel barge would need to be developed.

A feasibility study undertaken by TasPorts in 2015 found that, from an internal business perspective alone, there was unlikely to be a positive economic return for TasPorts from investment in a fuel barge. This study was limited in scope as it excluded potential revenue outside the Antarctic sector and the broader social economic benefits.

Current Situation:

Consideration of the need for a fuel barge to service the maritime industry in Hobart has once again come into focus with the arrival of the new Australian ice breaker RSV Nuyina, recent interest from the Antarctic cruise industry, bunkering opportunities for naval vessels and emerging prospect of Hobart as a home port for the US Coastguard.

State Growth is currently undertaking a review of the Tasmanian Antarctic Gateway Strategy on behalf of the Antarctic Gateway Committee. Submissions from the Australian Antarctic Division (AAD) and the Tasmanian Polar Network have both pointed to the need for a refuelling solution for the Port of Hobart.

S 27 [redacted]

In February 2022, Tasports approved the transit of the RSV Nuyina under the Tasman Bridge for refuelling. This decision followed intensive testing and simulation which had commenced over twelve months earlier in January 2021. This was also required as RSV Nuyina is home-ported in Hobart. The complexity and time required acts as a disincentive for other vessel operators which may choose to go elsewhere. S 27 [redacted]

S 27 [redacted]

s 27 [redacted]

Key Considerations

- At present the marine fuelling capability in Hobart is at the fuel berth at Selfs Point. S 27

S 27 [redacted]

Assessment

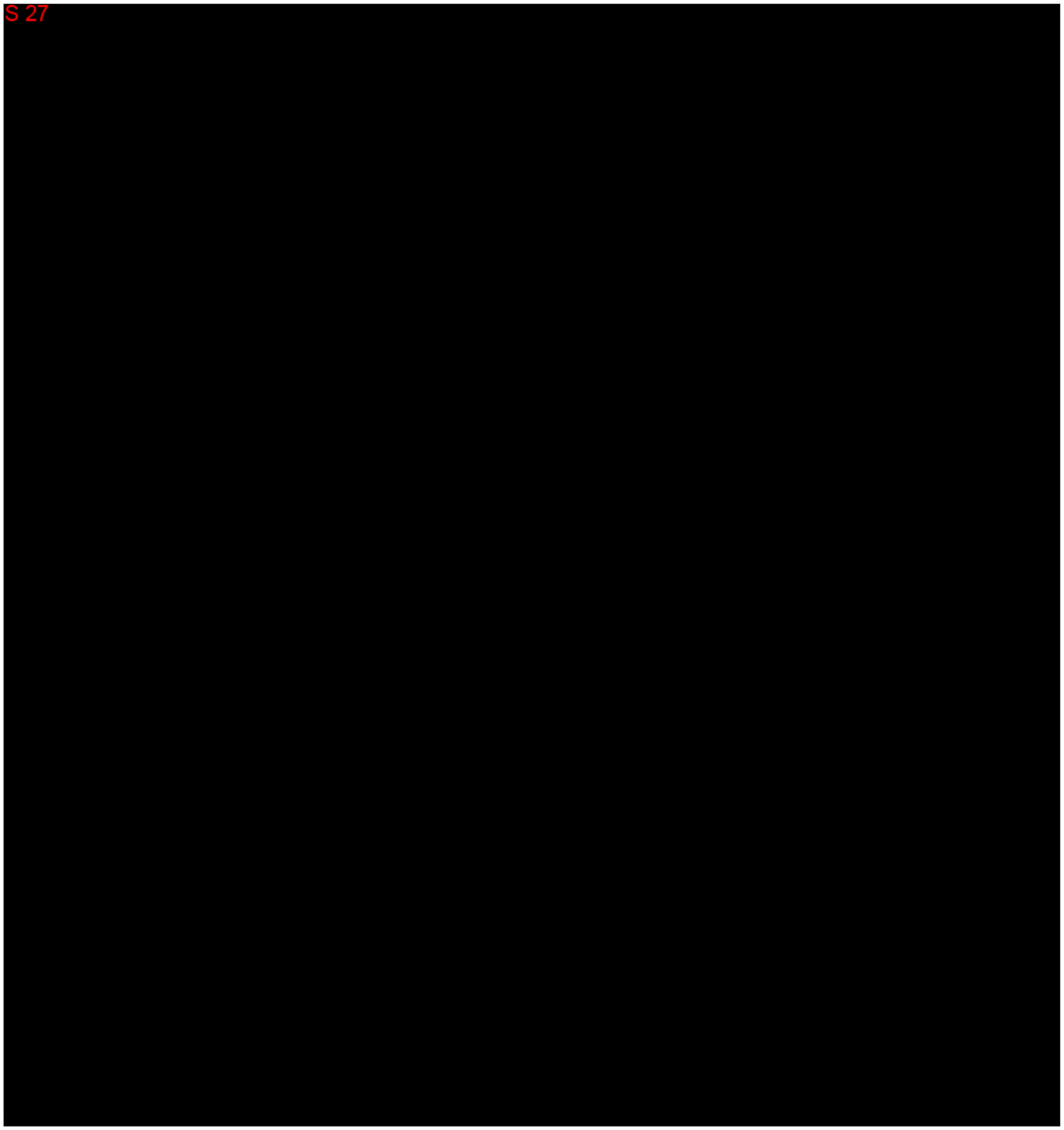
Port efficiencies

S 27 [redacted]

Broader Economic benefit

S 27 [redacted]

Antarctic



Defence, Border Force, US Coast Guard and visiting foreign vessels

S 27 [redacted]

Tourism

S 27 [redacted]

Other

S 27 [redacted]

Tasman Bridge

S 27 [redacted]

- The pilotage/tug requirements will vary with vessel size and ships masters. Any vessel greater than 130 metres in length requires a tug, and vessels 110-130m with a draught greater than seven metres also requires a tug. A Pilot is required to be on board for all vessels greater than 35 metres transiting under the bridge.

s 27 [redacted]

- Bridge transits are timed so as to avoid peak commuter periods – this also affects the timing of refuelling operations, creating further scheduling complexity (inefficiencies) for vessels.

Employment opportunities

S 27 [redacted]

Vessel and Ownership/Operating Models

Vessel type and construction

S 27 [redacted]

Ownership and operating models

S 27 [redacted]

S 27 [redacted]

S 27 [redacted]

Next Steps

S 27 [redacted]

APPROVED BY

Brett Stewart
Deputy Secretary

27 May 2022

Prepared by:	s 36 [redacted]	Cleared by:	Andrew Smythe
Position:	S 36 [redacted]	Position:	General Manager, Strategy, Policy and Coordination
Email:	s 36 [redacted] @stategrowth.tas.gov.au	Email:	andrew.smythe@stategrowth.tas.gov.au
Phone:		Phone:	s 36 [redacted]

Tasmanian Government

CONTRACT FOR SUPPLY OF CONSULTANT SERVICES

Maritime Consultant for the Port of Hobart Fuel Barge Tender Design

Contract reference No.: 3629

Principal: **The Crown in Right of Tasmania**
(acting through The Department of State Growth)

Supplier: **Thompson Clarke Shipping Pty Ltd**

Out of scope

[redacted]

CONTRACT FOR SUPPLY OF CONSULTANT SERVICES

Maritime Consultant for the Port of Hobart Fuel Barge Tender Design

Date: 6 April 2023

Parties:

Name	**The Crown in Right of Tasmania** (acting through the Department of State Growth)
Short form name	**Principal**
Notice details	C/- Department of State Growth 4 Salamanca Place, Parliament Square, HOBART TAS 7000 Email: contractservices@stategrowth.tas.gov.au Telephone: (03) 6166 3462 Attention: General Manager, Strategy, Policy & Coordination
Name	**Thompson Clarke Shipping Pty Ltd**
ABN	62 007 414 762
Short form name	**Supplier**
Notice details	Suite C202, Level 2, 6 Pine Tree Lane, TERRIGAL NSW 2260 Email: Telephone: Attention:

Background: The Principal and the Supplier have agreed to be bound by the Contract.

Pursuant to the Contract, the Supplier agrees to deliver or supply the Services (described in the Contract Information Table) to the Principal.

The parties agree as follows:

1 Contract

1.1 Principal and Supplier agree to be bound by Contract

The Principal and the Supplier agree to be bound by the Contract.

1.2 Contract comprises

The Contract comprises:

(a) this document;

(b) the Contract Information Table included in Attachment 1 to this document;

(c) the Tasmanian Government's 'Consultant Services SCC: Version 2021-01' (the **Conditions of Contract**), which are taken to be incorporated by reference in this document; and

(d) if the Contract Information Table states that any other documents form part of the Contract, then those other documents.

Out of scope

1.3 Supplier's acknowledgment

The Supplier acknowledges that it received and read a copy of the Conditions of Contract before signing this document.

1.4 Defined terms

For the avoidance of doubt, unless the context otherwise requires, terms defined in the Conditions of Contract and the Contract Information Table (as applicable) have the same meanings when used in this document.

Executed as an agreement

Out of scope

Signing

Signing by the Principal

Executed as an agreement on behalf of **The Crown in Right of Tasmania** by the person named below in the presence of the witness named below:

Signature: →

Out of scope

Being a person who has authority to sign this Agreement on behalf of the Principal

*Print name and position: Sam Thiessen - Project Director Strategic Projects, State Growth

Witness' signature: →

Out of scope

*Witness print name and position: S 36 [redacted]

*Witness print address: 4 Salamanca Place, HOBART TAS 7001

*Use BLOCK LETTERS

Signing by the Supplier

Executed as an agreement by **Thompson Clarke Shipping Pty Ltd** in accordance with section 127(1) of the *Corporations Act 2001* (Cwlth):

Signature: →

Out of scope

Signature: →

*Print name and office held:

*Print name and office held:

*Use BLOCK LETTERS

Note: In the case of a company that has only one director and one secretary, show the office held as 'SOLE DIRECTOR AND SOLE COMPANY SECRETARY'

Attachment 1: Contract Information Table

IMPORTANT NOTES:

A. The Contract Information Table:

- Sets out the key variable contract details relevant to the application and operation of the Conditions of Contract to the procurement. (**NOTE**: The Conditions of Contract are incorporated by reference into the Contract).
- May modify the Conditions of Contract as they apply to the delivery of the Services and in other respects.
- May include additional terms and conditions of contract which will apply to the Contract.

B. The Contract Information Table must be read in conjunction with the Conditions of Contract.

C. A reference in the Contract Information Table to a row also includes a reference to the heading for the row.

Services to be supplied:

The services (the **Services**) to be supplied by the Supplier to the Principal in accordance with the Contract are as follows: Provide expert maritime advice regarding the procurement of a fuel barge for the Port of Hobart, including:

1. Provide advice on appropriate barge specifications, including hull size, capacity and fuel type and storage requirements (with consideration given to TasPorts' requirements and Tasmania's regulatory setting).
2. Quantify a schedule of leasing costs (given this is the most likely model) plus estimates of purchase procurement costs, including upfront capital costs and operational and recurrent expenditure in the short-to-medium term (3-year minimum) if we were to purchase a barge.
3. Quantify latent demand for a fuel barge.
4. Engage three (3) industry stakeholders for input on what a partnership arrangement could look like (including costings).
5. Attend two (2) project meetings online (MS Teams) with the State Growth project team.
6. Deliver a written report to State Growth, summarizing the findings and advice prepared.
7. Respond to any other reasonable request from the Principal.

A more detailed description of the Services being procured is included in the Specification.

Specification applicable to Services:

The Services must comply with, and also where applicable be delivered in accordance with, the following specification (the **Specification**):

1. **Project Inception Meeting**

   To be conducted via MS Teams. The Purpose of the inception meeting will be to:

   a. Introduce team members from both the Principal and Supplier.
   b. Confirm the Principal's expectations of the scope and outcome/s of the project.
   c. Agree project tasks and timeline.
   d. Agree on preliminary scoping material and timeframe for delivery to the

Out of scope

Specification applicable to Services:

Supplier.

e. Agree project reporting methodology and frequency during course of the project.

f. Agree stakeholder entities for consultation to inform demand analysis.

g. Agree approach and methodology for (fuel barge) industry engagement.

2. **Project Literature Review and Research**

Upon receipt of all existing relevant project documentation and preliminary scoping material, the Supplier will conduct an extensive review of the material, enhanced by specific subject matter research, tapping into the Suppliers relevant industry knowledge and network. This will prepare and position the team well to successfully embark on the subsequent tasks.

3. **Demand Analysis**

This will involve an analysis of the demand for the provision of a fuel barge in the Port of Hobart. The Supplier proposes this will include the existing demand, based on a selection of key existing operators and their maritime activities, and a selection of potential future operators and activities. Key government entities, including TasPorts, will also be included in this process.

To address the existing scenario, the Supplier proposes to consult with a selection of existing vessel operators to gain an appreciation of their requirements and expectations in relation to the provision of barged fuel. The potential future demand will be informed by gaining an understanding of the future objectives of the selected existing operators as well as through gaining a broader appreciation of potential industry developments and other potential associated government and/or private sector initiatives.

4. **Defining Barging Requirement**

The Supplier will define an appropriate barge specification, based on the demand highlighted through consultation with the selected existing operators and potential future users within the restrictions of item 3 (Demand Analysis). This definition will include, optimal hull size, capacity, fuel type and storage requirements. TasPort's requirements and the Tasmanian government's regulatory requirements will also be considered in this task.

5. **Fuel Barge Industry Engagement**

Once the Supplier has defined the barging 'operational' requirement, an approach to the three (3) key Industry stakeholders (BP, Viva and Chevron) will be made, following discussions with and approval from the Principal.

The Supplier will work with the Principal to confirm any partnership parameters that meet the Principal's expectations and the internal policies and processes, as well as the requirements of TasPorts and the Tasmanian Government's regulatory setting.

With an appreciation of the Principal's partnership parameters as a guide, representatives from the Supplier and the Principal will engage with potential service providers to flesh out their expectations around each of the various partnership arrangements/options associated with achieving the operational requirement.

During the engagements, the Supplier will explore and gain an appreciation of the latent demand for a fuel barge - that is, the existing demand and/or the potential future demand for a fuel barge that is currently not, or unlikely to be, met by existing arrangements.

Noting that fuel barge industry stakeholders are unlikely to be situated in Hobart, the Supplier has assumed all industry consultations will be conducted remotely via MS Teams, or similar.

Out of scope

Specification applicable to Services:

6. **Develop Schedule of Procurement Costs**

   The development of a schedule of procurement costs will be based largely on the Supplier's industry sector knowledge validated to some degree by the input received from the consultation with the three key industry stakeholders (per item 5 – Fuel Barge Industry Engagement).

   These costs, so far as possible, will offer an estimate of the costs associated with chartering a fuel barge, including potential upfront capital costs and operational and recurrent expenditure in the short to medium term (3 years minimum).

   The Supplier will also offer an estimate of the costs associated with purchasing a fuel barge for equivalent services as a potential alternative to the chartering of a fuel barge by the Tasmanian Government.

7. **Project Meetings**

   The Supplier will attend project 'checkpoint meetings' at the 50% and 90% mark of the project.

   The Supplier proposes to set a meeting Agenda and facilitate the checkpoint meetings to provide an update on inter alia, project progress, requests for additional Information or input from the Principal, project challenges etc, as necessary.

8. **Project Report**

   This will involve the consolidation of outputs from each of the previous tasks into a concise report. The report will address each of the specific requirements of the revised scope, present the findings and offer advice, such that the Principal will be adequately informed of the options within the constraints of the revised scope to secure a fuel barge for the Port of Hobart.

   The information contained in the report will also be suitable for input to a subsequent industry led process to secure a fuel barge, be it through procurement or charter, for example.

Delivery of Services:

The service period (the **Service Period**) applicable to the supply of the Services is:

Upon execution of this agreement by both parties, until 30 June 2023.

The milestone dates are as follows:

Milestone No.	Milestone	Completion Date
1.	Project Inception Meeting	14 April 2023
2.	Project Literature Review and Research	21 April 2023
3.	Demand Analysis	12 May 2023
4.	Defining Barging Requirement	26 May 2023
5.	Fuel Barge Industry Engagement	31 May 2023
6.	Develop Schedule of Procurement Costs	07 June 2023
7.	Project Draft Report	30 June 2023
8.	Project Final Report	28 July 2023

Contract Sum:

The contract sum (the **Contract Sum**) for the supply of the Services is to un upper limit of Out of scope

Contract Sum:
$59,600.00 (ex. GST).

(a) Subject to clause 4 of the Conditions of Contract, the Supplier must invoice the Principal, not later than 10 Business Days after the end of each Billing Period, the Contract Sum for Services performed by the Supplier, in accordance with the Contract, during that Billing Period.

(b) The Contract Sum for Services performed in respect of a Billing Period is to be calculated in accordance with the applicable rates for the Services, as provided for in the Contract.

(c) In this row of the Contract Information Table:

Billing Period means each of the following periods during the Contract Period:

(i) each Named Month;

(ii) if the Start Date is not the first day of a Named Month, the period commencing on the day on which the Contract Period commenced and ending on the last day of the Named Month during which the Contract Period commenced;

(iii) if the End Date is not the last day of a Named Month, the period from the end of the last Billing Period (prior to the End Date) and ending on the End Date.

Contract Period means the period commencing on the Start Date and ending on the End Date.

End Date means the first of the following dates:

(i) the date the Contract is terminated;

(ii) the date the Supplier has fully completed the delivery of the Services.

Named Month means one of the 12 named months into which a year is divided (and, where the context requires, includes part of a Named Month).

Start Date means the date of the Contract.

(d) The Contract Sum is the amount calculated by:

(i) ascertaining (in hours) the time properly and reasonably worked by the Supplier in supplying each category or type of Services set out in a row in Column 1 of the table below;

(ii) for each category or type of Services set out in a row in Column 1 of the table below, multiplying the time ascertained in accordance with paragraph (d)(i) by the applicable hourly rate (for the supply of those Services) as shown in Column 2 of that row; and

(iii) totalling the amounts determined for the purposes of paragraph (d)(ii).

(e) The Supplier must provide reports to the Principal of the hours worked by the Supplier in relation to the delivery of the Services. The reports must be provided at such times required by, and otherwise be in a form and substance satisfactory to, the Principal (acting reasonably).

(f) The Supplier must keep proper records of the time worked in delivering the Services, and give copies of those records to the Principal if required.

(g) The hourly rates are not subject to escalation.

Table

Column 1 Services (description)	Column 2 Applicable hourly rate (excluding GST)
	$275.00
	$275.00
	$275.00

Out of scope

Contract Sum:

Out-of-pocket expenses and disbursements:

Not applicable.

Insurance:

The policies of insurance required to be effected and maintained by the Supplier are as follows:

Public liability insurance:

Policy type:	Public liability insurance policy.
Required cover:	The policy must cover liabilities arising out of, or in connection with, the performance of the Contract by the Supplier, including liabilities in respect of: (a) personal injury to, or the death of, any person (excluding a person who at the time of the injury or death is defined as a worker of the Supplier under any Law relating to workers' or accident compensation insurance); and (b) loss, destruction or damage to any property. If the Supplier is supplying Services, the public liability insurance policy must indemnify the Principal for any vicarious or other legal liability that the Principal may have in respect of any willful or negligent act or omission of the Supplier or any Supplier's Personnel.
Period of insurance:	The period commencing on the date of the Contract until the Supplier has performed all of its obligations under the Contract, or the date on which the Contract is terminated (whichever first occurs).
Amount of cover:	Not less than $20,000,000 for each individual claim or series of claims arising out of a single occurrence.

Workers' compensation insurance:

Policy type:	Workers' compensation insurance.
Required cover:	In accordance with the Law.

Professional indemnity insurance:

Policy type:	Professional indemnity insurance.
Required cover:	The policy must indemnify the Supplier for any breach of professional duty, whether owed in contract, tort or otherwise, in connection with the performance of the Contract by the Supplier. The policy must include an automatic reinstatement clause.
Period of insurance:	The period commencing on the date of the Contract until the date two years after the date the Supplier has performed all of its obligations under the Contract.
Amount of cover:	Not less than $10,000,000.

Special terms and conditions:

The special terms and conditions (each a **Contract Special Condition**) set out below apply to the Contract.

Out of scope

Out of scope

Special terms and conditions:

If there is any inconsistency between a Contract Special Condition and another provision of the Contract, the Contract Special Condition overrides the other provision to the extent of the inconsistency.

A Contract Special Condition is taken not to be inconsistent with another provision of the Contract if the Contract Special Condition and the other provision of the Contract are both capable of being complied with.

Contract Special Conditions:

There are no special terms and conditions.

From: S 36
Sent: Tuesday, 2 May 2023 5:19 PM
To:
Cc: S 36
Subject: Fuel Barge Port of Hobart - Consultancy
Attachments: Attachment 1 - FINAL_TAG_Strategy_2022_-_27.pdf; Attachment 2 - Antarctic Sector Contribution and Fuel Barge - Fuel Barge.pdf; Fuel Barge background for TCS.docx

Good afternoon

Please find attached an expanded background document including the discussion points from our recent meeting.

I have included the details for S 36 in this document (S 36 who will be a valuable source of stakeholder contacts for your team. I will reach out to TasPorts tomorrow to find a suitable contact in order to expedite communications there for you also.

I have attached a previous report on this issue (please note the limitations in the scope) and the Antarctic Gateway Strategy for reference.

Great to get this underway. Please don't hesitate to get in touch or meet via Teams, though I'm sure we will be in contact fairly regularly throughout this process.

Out of scope

Kind regards

S 36

S 36 | S 36
Strategy, Policy & Coordination | Department of State Growth
Level 6, 4 Salamanca Place, Hobart TAS 7000
Phone: S 36
s 36 @stategrowth.tas.gov.au

Courage to make a difference through
TEAMWORK | INTEGRITY | RESPECT | EXCELLENCE

In recognition of the deep history and culture of this island, I acknowledge and pay my respects to all Tasmanian Aboriginal people; the past, and present custodians of the Land.

Attachment 1

Tasmanian Antarctic Gateway Strategy 2022–2027

Department of State Growth

Tasmanian Government

Contents

Minister's foreword

For more than a century Tasmania has been the gateway for Antarctic expeditions, including those of Australia's own scientist and explorer Sir Douglas Mawson.

From those early beginnings, the skills, talents and entrepreneurship of Tasmanians and our natural geographic advantages have put Tasmania's capital Hobart on the map as the leading gateway to East Antarctica, with a well-earned reputation for excellence in science, industry and logistics support.

Hobart's identity as an Antarctic city is well established and of great importance to its citizens. The sector makes a significant contribution to the Tasmanian economy, generating some $160 million per annum with over 950 full-time jobs and over 7,000 expeditioner nights supporting local accommodation businesses.

Tasmania hosts an impressive assembly of Antarctic and Southern Ocean organisations and is the proud home of the Australian Antarctic Division. It hosts two international organisations which focus on the conservation of species living in Antarctica and the Southern Ocean: Agreement on the Conservation of Albatrosses and Petrels (ACAP) and Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR). Tasmania is recognised globally as the home of logistics and support services for East Antarctica. With this unique array of attributes, we are well placed to grow international engagement and visitation.

The science and research community is undeniably the backbone of our Antarctic and Southern Ocean endeavours.

Many organisations provide an array of research input alongside the Australian Antarctic Division, Australia's national science agency CSIRO, the University of Tasmania's Institute of Marine and Antarctic Science (IMAS) and the Centre for Antarctic, Remote and Maritime Medicine (CARMM).

Behind the science is a well organised, collegiate network of specialist support, logistics, supplies, equipment and technology businesses, represented by the Tasmanian Polar Network. This Government-supported membership organisation comprised of local businesses, research and government organisations is unique in the world.

It provides a single point of contact for international Antarctic programs, connecting Tasmanian businesses supplying comprehensive and reliable logistics and supply support, including equipment and machinery.

Hobart is home port to Australia's state-of-the-art icebreaker *RSV Nuyina* and the blue water research vessel *RV Investigator*. It also supports visiting research vessels and icebreakers from other nations, in particular the French icebreaker *L'Astrolabe*.

The Hobart International Airport provides ever-increasing capability for Antarctic-bound aviation services. Over the next 10 years, the Tasmanian Antarctic gateway community is well placed to benefit from significant new Australian Government investment in expanding Antarctic capability and leadership.

Modernisation of infrastructure, new traverse capacity, expanded aviation capability and major science projects pose a vast and diverse array of opportunities for Tasmanian businesses and increasing employment opportunities for Tasmanians.

The Tasmanian Government is committed to working with the Australian Government, local government and the private sector to build our gateway capability to support these investments and to grow the Tasmanian Antarctic brand. Leveraging the Australian Government commitment will create opportunities for enhanced overall Antarctic support capability driving outcomes across connected sectors such as advanced manufacturing, technology and innovation, and space research.

The release of this Strategy is supported by key initiatives that will be progressed over the next five years however, more than that, the Strategy underpins the Tasmanian Government's commitment to the future. It is part of our long-term vision to drive opportunities generated by a strong, vibrant and sustainable Antarctic and Southern Ocean sector.

Tasmania and Hobart are the best places to be as we enter a new era of Antarctic investment in science, including the development of the Antarctic and Science Precinct, a cornerstone of the Tasmanian Government's Antarctic science agenda, and the Australian Government's commitment to science through investment in the *RSV Nuyina* to drive scientific endeavours such as krill research.

The Tasmanian Antarctic sector is a high achieving sector with a proud history. Through this Strategy, the Tasmanian Government continues to deliver its vision of Tasmania as a globally recognised hub of Antarctic capability and excellence that generations of Tasmanians will aspire to be part of.

Guy Barnett
Minister for State Development

Pete Harmsen - AAD

Nicole Webster - AAD

Introduction

Tasmania has a proud heritage of supporting Antarctic and Southern Ocean endeavour with explorers and scientists using the port of Hobart as a base for expeditions since the 19th century.

Today, Tasmania possesses a unique aggregation of characteristics in support of the Antarctic sector and is recognised around the world as an exciting and vibrant centre of international Antarctic science, logistics, operational support and diplomacy.

Many Tasmanians have historic and/or emotional links to Antarctica and place great importance on this connection. Over the last six decades Hobart has operated as the Antarctic and Southern Ocean gateway for the Australian and French Antarctic programs, with research and supply vessels from other nations visiting regularly. The sector is an integral part of the strong, quality Tasmanian brand.

Tasmania is home to a substantial number of significant Antarctic and Southern Ocean science and research organisations, which form the heart of the sector and are at the core of its success.

Without a strong and internationally significant scientific presence, the sector in Tasmania would be greatly diminished.

Since the first Tasmanian Antarctic Gateway Strategy was released in early 2018 a new policy environment and new challenges have emerged, and this refreshed Strategy will address those challenges. With the Strategy's release, the Tasmanian Government is highlighting its commitment to new goals and actions, with a focus on infrastructure, collaboration, and international engagement.

The Strategy also facilitates access to Antarctic and Southern Ocean sector opportunities for Tasmanian businesses and creates greater visibility of the sector across the Tasmanian community.

The refreshed Strategy also integrates with other State Government strategies such as the Tasmanian Trade Strategy 2019–2025, Tasmanian Trade Action Plan 2022–23, Tasmanian Advanced Manufacturing Action Plan 2024, and the Tasmanian Defence Industry Strategy 2023 to maximise synergies across government.

Why a Tasmanian Antarctic strategy?

Antarctic and Southern Ocean organisations spend almost $160 million annually in Tasmania. The sector as a whole employs over 950 full time equivalent (FTE) jobs, or 0.47% of the Tasmanian workforce. Wages in the sector are well above the average.

Tasmania's geographic location means it is a natural gateway to the East Antarctic. Of the five recognised Antarctic gateways around the world, Hobart is unique in its depth, breadth and combination of infrastructure, logistics support, and world class Antarctic scientific and diplomatic expertise.

Importantly, Hobart is also home to the Australian Antarctic Division (AAD). The AAD lead the Australian Government's engagement in policy, science, logistics and operational activities in Antarctica.

The Australian Government's 2022 update to the *2016 Australian Antarctic Strategy and 20 Year Action Plan* (Strategy and Action Plan) outlines an exciting future for Australia's Antarctic program. It sets out Australia's national interests in Antarctica and vision for future engagement. Antarctica is home to critical ongoing scientific research.

Discoveries made by the scientific community in Antarctica are of global significance. The 2022 update further strengthens Australia's scientific capabilities and sets out major projects to be undertaken.

It also emphasises collaboration with other Antarctic nations and building Tasmania's status as the premier East Antarctic gateway. These activities are being driven by the Australian Government and the AAD with the support of the local Antarctic community.

New infrastructure at both the Hobart port and Hobart International Airport will also open up greater opportunities for Hobart as a shipping and aviation hub. The Tasmanian Government is also supporting the development of a new Antarctic and Science Precinct at Macquarie Point in Hobart.

With new infrastructure being built, increased logistics and science collaboration between Antarctic nations, and the release of the updated *Australian Antarctic Strategy and Action Plan,* a number of substantial opportunities have emerged for Tasmania's Antarctic and Southern Ocean sector.

The Tasmanian Government is directing its revised *Antarctic Gateway Strategy 2022–27* at maximising these opportunities for the benefit of the broader Tasmanian industry and community. It is an important part of the Government's long-term vision to build Hobart as a world leading Antarctic hub and gateway that supports a thriving Antarctic sector.

Governance

The Department of State Growth leads the coordinated and collaborative approach to the implementation of this Strategy, drawing on the expertise of other government bodies such as Infrastructure Tasmania, and other key stakeholders such as the University of Tasmania, the AAD, TasPorts, Hobart International Airport, science and research organisations and other key industry partners.

The Tasmanian Antarctic Gateway (TAG) Advisory Committee will develop an annual implementation plan to deliver the Strategy and convert Tasmania's opportunities for the sector into outcomes. The TAG Advisory Committee is a platform for a coordinated whole of government and industry approach to the implementation of this Strategy through commercial and government channels and monitoring its effectiveness.

This committee is chaired by an independent chair and reports on progress against the five goals of this Strategy. Representatives are drawn from key stakeholders in government, infrastructure and logistics, science and research and industry.

The membership of the TAG Advisory Committee will be expanded to include Hobart City Council on behalf of the four greater Hobart councils, and a representative of the Department of Foreign Affairs and Trade to reflect the significance of international relationships in our Antarctic gateway.

Vision

Our vision is for our state to be a globally recognised hub of excellence and destination of choice, connecting the world to Antarctica through vibrant and collaborative partnerships founded on Tasmania's sense of connection to Antarctica.

Our reputation as a world leader in Antarctic innovation, research and logistics support will attract the very best global players and thought leaders and stimulate our community with opportunities generated by a strong, vibrant and sustainable Antarctic and Southern Ocean sector.

Paula Roberts - AAD

Purpose

With this Strategy we aim to:

- enhance Hobart's standing as an international Antarctic and Southern Ocean logistics, science and research hub
- attract international Antarctic program visits to Tasmania
- stimulate export and trade of Tasmanian cold-climate products and services
- encourage and facilitate a collaborative approach to growing the sector
- attract Tasmanians to train and work in the Antarctic sector.

Goals and actions

The *Tasmanian Antarctic Gateway Strategy* is built on five goals:

1. Invest in Tasmania's strategic Antarctic gateway infrastructure.
2. Build Antarctic community awareness, brand and workforce.
3. Grow international engagement and visitation.
4. Grow polar innovation, technology and expertise.
5. Facilitate active collaboration and partnerships.

Goal 1: Invest in Tasmania's strategic Antarctic gateway infrastructure

TasPorts and the Hobart International Airport provide crucial infrastructure for our Antarctic gateway's future success. This infrastructure also provides many economic benefits for trade, tourism, defence capability, maritime safety and support of maritime search and rescue. These benefits could grow significantly with uplifts in infrastructure.

TasPorts provides port services for Antarctic research and supply vessels in Hobart and has previously invested in a dedicated Antarctic and cruise terminal at Macquarie Wharf No 2. A business case is under way to provide for critical wharf upgrades to enable year-round berthing of the new Australian icebreaker *RSV Nuyina* and summer operations of several other Antarctic and research vessels.

In addition, a potential fuel barge service in Hobart would enable delivery of fuel at berth-side, thereby reducing the demand for vessels to transit under the Tasman Bridge and allowing larger vessels that currently cannot fit under the bridge to take fuel in Hobart.

Under the Hobart City Deal, the Tasmanian Government has partnered with other levels of government to develop an iconic Antarctic and Science Precinct (ASP) at Hobart's Macquarie Point, with world-class facilities that will attract international visitors for research collaboration and tourism.

Hobart Airport is home to Australia's Antarctic aviation program. The AAD operates an Airbus A319 and, with the Royal Australian Air Force, utilises a Globemaster III C 17 aircraft to undertake regular flights from Hobart to the Wilkins blue ice runway and McMurdo runway in Antarctica. The Hobart Airport runway has been lengthened to allow for larger payloads and longer-range flights. Hobart Airport has also developed an Antarctic and freight precinct to support existing operations and opportunities for a future East Antarctic aviation network.

Another forthcoming investment in the airport will be the strengthening of the runway which will support Antarctic aviation capability, and will enable larger planes, heavier cargo and more flights to deliver equipment and passengers to Antarctica.

Science is at the core of every national Antarctic program and this requires substantial technical support and research infrastructure. A range of significant science and research organisations and programs located in Hobart benefit from international project offices and secretariats such as the Integrated Marine Observing System (IMOS), the Southern Ocean Observing System (SOOS), the Headquarters of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the Secretariat for the Agreement on the Conservation of Albatrosses and Petrels (ACAP). Australia's world-class research icebreaker *RSV Nuyina* and the National Marine Facility *RV Investigator* are homeported in Hobart and provide a direct interface with the research community, enabling collaboration and easy access. Additional facilities to support international collaboration, such as the efforts by multiple nations to drill for the oldest ice ever discovered would further build on this ecosystem of Antarctic and Southern Ocean expertise.

Action 1.1

- Support port upgrades in the Port of Hobart.

Action 1.2

- Work with Hobart City Deal partners to establish an Antarctic and Science Precinct at Macquarie Point.

Action 1.3

- Encourage an industry led collaboration for a fuel barge to facilitate refuelling efficiencies and future growth in vessel visitation.

Action 1.4

- Support Hobart Airport runway project and other upgrades.

Action 1.5

- Support delivery of technical and science infrastructure.

Action 1.6

- Support delivery of international project offices and secretariats.

Action 1.7

- Support sustained Antarctic research in Hobart.

Action 1.8

- Investigate establishment of an International Ice Core Facility in Hobart.

Pete Harmsen - AAD

Goal 2: Build Antarctic community awareness, brand and workforce

Support from all levels of government and the University of Tasmania has played a crucial role in developing Hobart's endowment of globally significant research and teaching infrastructure. At the same time, Hobart is known for its logistics capability, strong and united industry network, and strength of niche manufacturing and operational goods and services. These services have been provided since Antarctic exploration first commenced. These capabilities, developed over time, differentiate Hobart from other gateway cities and contribute to our unique brand.

The University of Tasmania's Institute for Marine and Antarctic Studies (IMAS) and many of the CSIRO Oceans and Atmosphere researchers are located in purpose-built facilities on the Hobart waterfront. Co-located with IMAS is the international project office for SOOS, the national project office for IMOS, the Australian Antarctic Program Partnership (AAPP) and Australian Centre for Excellence in Antarctic Science (ACEAS). Hobart is also home to the Bureau of Meteorology's (BoM) Antarctic office.

Antarctic organisations and companies support more than 950 full time jobs, making Hobart's role as an Antarctic gateway city unique as a site of cold-climate expertise and research. It is important that Antarctic and Southern Ocean research continues to be well supported in Tasmania to sustain this special research ecosystem and build on past successes.

These institutions support postgraduate students from all over the world. In 2022 there were 57 PhD students in various fields of Antarctic study enrolled at the University of Tasmania. These early-career scientists will become the next generation of global scientific leaders and form an important part of the local community.

The co-location of key research institutions in Hobart stimulates opportunities for Tasmanians to forge a career across the Antarctic and Southern Ocean sector and contributes to Tasmania's ongoing transformation to a more diversified, knowledge-based economy and to the Tasmanian Government's efforts to grow the population through attraction and retention of skilled migrants from interstate and overseas.

Workforce challenges are now emerging in most sectors, and the Antarctic sector is not exempt. Future science and research demand increasingly sophisticated technology and data, and building a capable local workforce will become critical to success.

The Tasmanian Government recognises the importance of reflecting its Antarctic and Southern Ocean credentials and heritage in the Brand Tasmania stories, and the significance of including Tasmania's community across the state in the development of the sector in future. Antarctic tourism experiences such as museums, displays, festivals and Antarctic cruises all assist with creating Tasmania's Antarctic identity and form an important part of our story as an Antarctic hub and gateway.

The City of Hobart is recognised as a key partner in our community's awareness of and interest in the Antarctic sector. As part of the Council's strong commitment to Hobart's reputation as a leading gateway city, the Council hosts an annual reception to mark the opening of the Antarctic summer.

The Council also supports the bi-annual Australian Antarctic Festival and many other Antarctic related events and activities within the city each year in which the community is encouraged to participate.

A key priority for the City of Hobart is looking to increase the community's connectedness to our Antarctic sector and cement our identity as an Antarctic gateway through community engagement.

Action 2.1

- Connect Tasmanian training organisations with workforce needs.

Action 2.2

- Collaborate with Brand Tasmania to promote the Antarctic brand as part of being 'Tasmanian'.

Action 2.3

- Develop community engagement to increase awareness of sector in collaboration with local and Australian government partners.

Action 2.4

- Support development of Antarctic heritage and tourism opportunities as part of building a coordinated gateway brand.

Goal 3: Grow international engagement and visitation

As the gateway port closest to East Antarctica, Hobart has been the headquarters and resupply port for the Australian Antarctic Program (AAP) for over 40 years. This has initiated many international engagement opportunities for Tasmania.

The Institut Polaire Français Paul-Emile Victor (IPEV) has also been using Hobart as its Antarctic support base for many decades. IPEV provides valuable support to Hobart-based science programs through shipping, logistics and research support.

The French icebreaker *L'Astrolabe* provides shipping support for the French station Dumont D'Urville as well as the French-Italian station of Concordia and for the Australian base on Tasmania's Macquarie Island.

The Tasmanian Government signed a Memorandum of Understanding (MoU) with IPEV on Antarctic gateway collaboration in 2019. During the first two years of the COVID-19 pandemic, the Tasmanian Government provided extensive assistance to IPEV to enable Antarctic operations to continue through Hobart.

The AAP also enjoys close collaboration with many nations through, for example, the provision of logistics support, scientific research, bilateral and multilateral cooperation and a range of other partnerships.

Key international Antarctic institutions such as CCAMLR, ACAP and SOOS are headquartered in Hobart and contribute significantly to Tasmania's standing as a global centre of expertise.

The Tasmanian and Australian Governments have also signed a MoU to partner in CARMM which provides further opportunities for international engagement in the delivery of excellence in Antarctic and Southern Ocean healthcare, and research in extreme environments.

In association with these and other engagements, Hobart has hosted visits from polar and research vessels from several countries including the United States, South Korea and Japan, as well as from foreign representatives involved in a wide range of Antarctic partnerships and collaborative work.

Hobart's status as a gateway and hub for Antarctic activity and engagement is an asset that will be leveraged to further support our state's interests in international engagement and visitation.

Building on civic gateway collaboration between Hobart and the other four gateways of Christchurch, Cape Town, Ushuaia and Punta Arenas will also be a focus area for the Tasmanian Government, and an ideal opportunity for closer involvement by the City of Hobart in the TAG Advisory Committee as the representative of greater Hobart Councils.

Action 3.1

- Build relationships with National Antarctic Programs and organisations operating in Antarctica and the Southern Ocean.

Action 3.2

- Explore the role of an Antarctic Advocate to grow and support international relations and partnerships with other Antarctic nations.

Action 3.3

- Engage with the five Antarctic gateway nations in collaboration with Australian and local governments.

Action 3.4

- Explore the feasibility of establishing an International Antarctic Office with hot desks for National Antarctic Programs.

Action 3.5

- Grow Antarctic and Southern Ocean-based conferences and events in Tasmania.

Action 3.6

- Support the development of Antarctic tourism opportunities in the gateway.

Miranda Nieboer

Goal 4: Grow polar innovation, technology and expertise

Tasmania is fortunate to host globally recognised polar expertise which supports the complex science undertaken in Antarctica and the Southern Ocean. Many national Antarctic programs, including those of Australia, France, Italy, China, the United States, New Zealand, Korea, Russia and Japan, have sourced cold-climate products and services provided by Tasmanian businesses. A multitude of specialised manufacturing and technical products have been customised to meet the operational needs of different Antarctic programs. The design, engineering and manufacture of equipment for traverse in the Antarctic interior is just one such area of Tasmanian industrial innovation.

These capabilities have been developed over many decades of support for Antarctic program activities and are constantly evolving to respond to new challenges. Ground-breaking innovation is evident at the University of Tasmania, through the Australian Maritime College (AMC), which has developed a next generation polar-capable, autonomous underwater vehicle (AUV), underpinned by a $7.5 million investment from the Australian Government. The Centre for Antarctic and Southern Ocean Technology (CAST) is another good example of innovation in practice, and was formed as a partnership between AAD, CSIRO and IMAS.

Public and private sector organisations are coordinated through the Tasmanian Polar Network (TPN), a cohesive membership organisation of more than 70 businesses, research institutions and government agencies which work together to build opportunities for the sector. TPN members provide specialised products and services in areas as diverse as scientific instrumentation, ship outfitting and food provisioning, technical and mechanical products and services, waste management, medical services and marine engineering. No other Antarctic gateway hosts an organisation like the TPN, with its diversity of membership and range of capabilities.

Modernisation initiatives being delivered by the AAD over the next decade include improved aviation capacity, station renewal, environmental management, autonomous science technology and more. As well as strengthening Australia's activities in Antarctica, these projects have the potential to generate employment and prosperity for Tasmania if local companies' capability is developed and leveraged. The Tasmanian Government will work with local industry, industry associations and government bodies to build skills and capabilities to enable businesses to respond to these opportunities. This will include accessing Tasmanian Government initiatives such as assistance offered under the Tasmanian Advanced Manufacturing Action Plan, the Defence Industry Strategy, the Trade Strategy and through Skills Tasmania.

As in many other sectors such as manufacturing and mining, the Antarctic and Southern Ocean sector has historically been a predominantly male work environment. With changing expectations for women to join these sectors, an effort to engage with women and other under-represented groups in Antarctic workplaces will broaden the potential workforce considerably.

Action 4.1

- Maintain support for the Tasmanian Polar Network and its strategic activities.

Action 4.2

- Support the role of women and other underrepresented groups in Antarctic workplaces.

Action 4.3

- Work with and support businesses to access opportunities arising from Antarctic science, traverse, aviation, shipping and station modernisation and environmental management requirements.

Action 4.5

- Support Tasmanian businesses to develop and commercialise new technology for Antarctic science and research.

Action 4.6

- Explore Tasmanian green renewable energy solutions for Antarctic and extreme environments.

Goal 5: Facilitate active collaboration and partnerships

Antarctic stakeholders include Australian, Tasmanian and local governments, scientific research and education organisations, local businesses and international secretariats. Broad collaboration between these stakeholders enhances Tasmania's scientific reputation and economic competitiveness.

In support of the AAP the Tasmanian Government can play a leadership role in facilitating collaboration and supporting stakeholders by providing organisational support, resources and policy advice through Antarctic Tasmania, a dedicated business unit within the Department of State Growth.

The TAG advisory committee facilitates collaboration by bringing together senior representatives from government, science and industry and by providing advice to the Tasmanian Government on opportunities for future growth.

Many new opportunities for collaboration and partnerships can be developed in areas such as space industry development, innovation and technology, commercialisation and education and training. Hobart's position as the capital city of a maritime state in the southern-most part of Australia makes it the natural gateway of choice for all activities to the south, including Antarctica and the Southern Ocean.

The benefits of the inclusive and collaborative approach to Antarctic gateway initiatives identified in this strategy also flow to related industry sectors such as manufacturing, international education and defence.

At the very heart of the Antarctic and Southern Ocean sector are the science and research organisations and their partnerships and collaborations, many of which are located in Hobart. It is critical to sustain science and research in Tasmania for the long term to ensure the sector continues to grow and flourish for the benefit of future generations of Tasmanians.

Action 5.1

Work with the AAD to strengthen collaboration opportunities between the state and Australian government organisations.

Action 5.2

Seek advice from the TAG Advisory Committee in implementing the Strategy.

Action 5.3

Support the Tasmanian Polar Network in building collaboration among its membership.

Action 5.4

Seek to increase and expand opportunities arising from collaborative partnerships, such as Centre for Antarctic Remote and Maritime Medicine (CARMM) and the Centre for Antarctic and Southern Ocean Technology (CAST).

Action 5.6

Facilitate growth of the international Antarctic and Southern Ocean research community in Tasmania and support existing science institutions in their scientific endeavours.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TASMANIA'S ANTARCTIC SECTOR

The Sector's Economic Contribution and Case for a Port of Hobart Fuel Barge

Report for the Department of State Growth
October 2016

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1. INTRODUCTION

This report considers the economic context of the Antarctic sector in Tasmania and the financial and economic case for investing in a new barge to provide refuelling capacity in the Port of Hobart for Antarctic supply and research vessels.

s 39 [redacted]

The report draws on existing material — including the TasPorts feasibility study, studies of the economic impact of the Antarctic sector in Tasmania and New Zealand, vessels visitation and resupply spending data — and extensive stakeholder discussions on the merits of acquiring a fuel barge and a range of operational challenges that would be faced.

2. ECONOMIC CONTEXT OF THE ANTARCTIC SECTOR

Direct economic impacts

The Antarctic sector in Tasmania is largely based in Hobart and comprises a unique mix of business, public sector and educational organisations undertaking research in the Antarctica and Southern Ocean as well as providing supporting logistics and supply solutions.

There are 17 institutions including:

- government agencies (Australian Antarctic Division, CSIRO)
- the University of Tasmania (including the Institute for Marine and Antarctic Studies, and the Australian Maritime College)
- the Commonwealth-funded Antarctic Climate and Ecosystem Cooperative Research Centre.

Hobart also hosts the international Secretariats of the Commission for the Conservation of Antarctic Marine Living Resources and the Agreement for the Conservation of Albatrosses and Petrels.

Approximately 50 businesses directly associated with the sector provide specialised design, manufacture, supply and maintenance Antarctic-related equipment and services support.

Including onshore staff and researchers based in Tasmania, there were 1185 people employed in Tasmania in 2011-12. (Press, 2014)

The Australian and French icebreaker and supply and research vessels — the *Aurora Australis* and the *L'Astrolabe* respectively — and the Australian research vessel the *Investigator* are permanently based in the Port of Hobart and operate in the Southern Ocean and Antarctic waters.

Other Antarctic vessels also visit Hobart for fuel supply and cargo and/or crew exchange, up to six times per season. The number and length of visits is determined by factors including research priorities and the ship's capacity to carry fuel and supplies. Some visits are undertaken solely for fuel supply.

With these other vessels visiting Hobart, there are around 20 port visits each year in total. Despite a gradual decline in the number of visits over recent years, the Australian and Tasmanian Governments are seeking to increase visitation, which is recognised in the national Antarctic Strategy and Action Plan. (Australian Government, 2014), as well as the soon-to-be released Tasmanian Antarctic Gateway Strategy.

s 39

While not directly comparable, it is worth noting the economic contribution of New Zealand's Antarctic sector, particularly the NZ and United States national Antarctic programs that directly contribute A$39.4 million per annum to the NZ economy (Saunders, 2013). Clearly, this is substantially below the contributions made by programs based in Tasmania.

Measuring broader economic impacts

There are several approaches to measuring the broader economic impact of major projects or business activities, which are based on the contributions of specific sectors to the overall economy. Of the various approaches, multipliers that measure the direct and indirect effects of additional expenditure on the broader economy — based on published input-output tables — have been used in the past to assess the impact of Antarctic activities in both Tasmania and New Zealand.

The easiest way to interpret multiplier effects is that for every new dollar earned directly in the relevant sector, how many extra cents are also generated in other parts of the economy.

Multipliers reflect the direct, indirect and induced effects from increased spending associated with one of these triggers:

- Direct effects are changes in production that are connected with immediate effects of increasing expenditure. This includes the consumption of goods and services, which cover the cost of supplying those goods and services (including overheads such as salaries and taxes)
- Indirect (secondary) effects are those changes in production resulting from the direct consumption in connected parts of the supply chain ie increased sales of goods and services amongst all the suppliers that ultimately lead to the final products being sold.
- Induced effects describe those changes in economic activity that result from the spending of employee incomes throughout the community.

While this is generally the best approach, there are a number of limitations — such as the risk of overstating economic benefits and the impact of imported goods and services that offset these benefits — that must be recognised in quantitative analysis. There is extensive commentary on these limitations, including publications by the Productivity Commission (Gretton, 2014) and Victorian Auditor-General. (Pearson, 2007)

[1] This is likely to be conservative, given the impact of CSIRO's spending on the *Investigator* and IMAS research funding successes, as well as earlier data on spending by the French Institut Polaire.

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3. COMPETITIVE CONTEXT

Hobart is one of five international Antarctic gateways that compete to varying degrees with each other. The other ports are:

- Christchurch, New Zealand
- Ushuaia, Argentina
- Punta Arenas, Chile, and
- Cape Town, South Africa.

Hobart's nearest competitor is Christchurch. It hosts the national Antarctic programs of New Zealand and the United States. Their main Antarctic bases are located close to each other on Ross Island, and a joint logistics pool operated by the two countries is based at Christchurch International Airport.

The Italian and Korean programs also use Christchurch as their main service base, although the Korean research vessel, *Araon*, visits Hobart most years

Stakeholders confirmed that the primary factor in selecting a gateway for shipping is geographic location, as the vessel operators are seeking to minim se transit time from research activities or the respective Antarctic bases.

However, fuel supply access, port efficiency and logistics capability are also factors that affect the choice of which port to use to resupply vessels. These considerations are recognised in the *20 Year Australian Antarctic Strategic Plan*, which notes that

> Logistics infrastructure in Hobart is of critical importance to Tasmania in this regard. The effective modernisation of Australia's Antarctic program and Tasmania's ability to attract new Antarctic business is contingent upon the development and maintenance of efficient, adaptable aviation and shipping facilities. The existing port facilities in Hobart require maintenance, upgrading and extension in order to adequately service the existing and potentially expanding market in Antarctic shipping. Fuel delivery and storage capabilities require enhancement. At present there is a sole operator in Hobart for regular marine fuel handling resulting in limited supply and facilities for refuelling. This significantly affects both the efficiency and attractiveness of Hobart for bunkering.

An important challenge for this study has been reviewing the veracity of this statement as it relates to fuel supply and bunkering, and whether a dedicated fuel barge can be justified on financial or economic grounds.

[2] Strategy 42 South has not undertaken a detailed assessment of Blacklow's approach or analysis.

In particular, it is not clear that the current bunkering arrangement is a material factor in an operator's decision whether or not to use Hobart. For instance, the *L'Astrolabe* is generally refuelled the night before it departs for sea, which means there is little delay before departure.

In-port scheduling can also be affected by the arrival and departure of crews, particularly when there are international flight and accommodation constraints.

It is generally accepted that Hobart strengths are its cohesive network including logistics solutions, vessel servicing and collaboration across education and research institutions.

As both the *Aurora Australis* and *L'Astrolabe* are less than 110m in length, they are able to pass under Tasman Bridge without TasPorts' pilots. New replacement vessels — from 2019 in Australia's case — will be larger than the current 110 m limit, and will need pilots, which will increase the cost of movements and possibly introduce delays into the vessel servicing schedule.

Stakeholder interviews conducted for the 2013 report into the economic contribution of the Antarctic sector in NZ found that the combination of Christchurch's international airport, sea port, dry dock and engineering facilities provide effective support for Antarctic activities (and implicitly are its competitive strengths). (Saunders, 2013).

S 39 [redacted]

Strategy 42 South did not undertake any benchmarking of service standards or port fees between the two ports.

4. FINANCIAL CASE FOR ACQUIRING A FUEL BARGE

Currently, Antarctic ships are restocked at Macquarie Point in the port, and are moved for refuelling to Selfs Point, where Caltex and BP receive and supply bulk fuels. The sequencing of these operations differs between each operator, for instance the *L'Astrolabe* refuels during the night before sailing and after it is restocked.

s 39 [redacted]

s 39

s 39 [redacted]

Enhancing the financial case

The scope of TasPorts' study was relatively narrow as it excluded potential sales outside the Antarctic sector.

In principle, a broader scope might have included external sales if they were material. However, as these sales have less certainty, some adjustment would be necessary to avoid inflating projected revenue. Acceptable methodologies include applying a discount to projected cash flows, appropriate risk weighting, or a higher hurdle rate of return for the project to proceed.

These potential sales are currently supplied quayside by road tankers, including naval and aquaculture vessels, as well as users at marinas and outlying ports (including Bass Strait islands).

S 39 [redacted]

In principle, the fuel barge should be more efficient for servicing marine users which could be reflected in lower delivered prices. However, Tasmanian World Wide Shipping (TWWS) suggested that the cost of refuelling by road tanker was around 1–2 cents per litre more expensive than at Selfs Point, which is comparable to the proposed pricing model for a fuel barge.

Similarly, there are additional costs — including fuel and labour — of moving the barge outside the Port of Hobart if it was to service the aquaculture sector or other Tasmanian ports and marinas. While these have not been analysed by TasPorts or Strategy 42 South, it is anticipated that these costs would be comparable to delivery by road.

Accordingly, it is not apparent that there is any competitive advantage in the fuel barge relative to road tankers that would contribute to a material increase in sales volumes that is sufficient to offset the significant shortfall in the business case.

Notwithstanding uncertainty on the scope to increase external sales, any such sales that are facilitated by the fuel barge would marginally reduce the number of diesel tankers on the roads in Hobart and Southern Tasmania, which could lead to a net reduction in carbon emissions and improved road safety. However, these economic factors would not be material to improving the business case.

Further, from a narrow economic perspective, any external sales displace existing providers and therefore do not grow the economy and should not be included in an economic cost-benefit study.

5. ECONOMIC CASE FOR A FUEL BARGE

Given the fuel barge acquisition is not commercially viable for TasPorts, and other sales that were excluded from the business case are immaterial, it is necessary to consider any broader economic benefits that may apply. In particular, there is an argument that public funding for a fuel barge has broader economic benefits — particularly through the contribution that the Antarctic sector makes to the Tasmanian economy — that offset the negative commercial returns.

As there is a wide range of ship sizes and crew, it is difficult to ascribe an economic value to each additional visit. Information collected by the Department of State Growth for the *Aurora Australis* and the *l'Atrolabe* show the total value of supplying each vessel across a whole season.

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Fuel contributes between 70 and 90 per cent of the value of supplies, which is imported from interstate and, as noted earlier, cannot be included in estimates of the economic impact.

These data exclude other inputs such as freight, crew accommodation and incidental expenses, travel services and waste management.

Accordingly, $0.6 million may be a reasonable estimate of the average non-fuel economic value of each visit. Including economic multipliers, as a rule of thumb, the value of each visit may be around $1 million.

However, a core principle in economic cost-benefit studies is that positive impacts can only be attributed to the investment if they would not have been achieved without that investment occurring. In other words, the gains from increasing visitation can only be attributed to the prospective fuel barge if access to quayside bunkering is a material factor for operators.

It is not clear that the current bunkering arrangements are a disincentive to visiting Hobart to resupply and refuel, or that acquiring a fuel barge would induce more visits. Some stakeholders support this proposition, while others are opposed.

Looking at this in more detail, the value of a fuel barge could be derived from:

- growing the number of port calls per annum
- enhancing service levels to mitigate risks that current users may withdraw from Hobart
- reducing the number of movements under the Tasman Bridge
- avoided costs of unnecessary port movements.

Growing the number of port calls per annum

Increasing the number of port calls in each season for resupplying or crew changeovers would be the most significant source of economic gain.

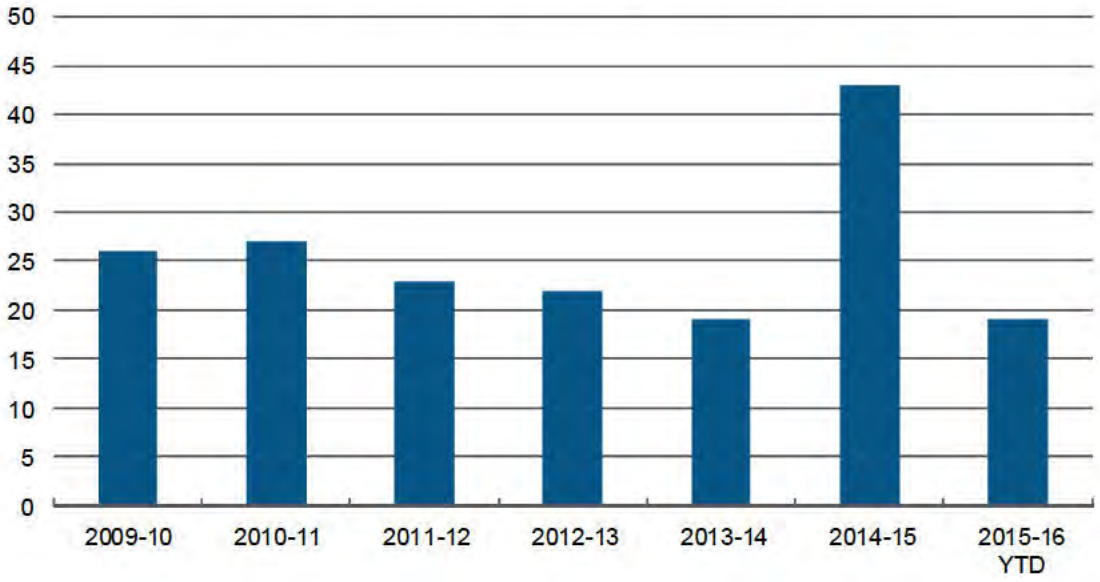
S 39 [redacted]

There may be a broad opportunity to capture a share of the increasing research activities of East Asian countries in Antarctica and the Southern Ocean.

S 39 [redacted]

On the other hand, the number of port visits by Antarctic vessels has declined slightly in recent years, once the impact of the Investigator's test voyages in 2014-15 is removed. This is shown in the following chart.

Figure 1: Total visits to Hobart by Antarctic vessels



Existing commitments are a constraint on the potential to increase the number of visits to Hobart. In particular, USA is committed to Christchurch, although the special fuels for Australia's Antarctic waters are not available at the Port of Lyttleton, and China will be using Fremantle as the main supply base for its new supply vessel.

S 39 [redacted]

In considering the case for a fuel barge, it is necessary to consider whether the refuelling arrangements in Hobart genuinely have any effect on the attractiveness or otherwise of Hobart for port visits. There are disparate views on this issue.

s 39 [redacted]

Refuelling at Macquarie Wharf would be attractive to AAD — particularly in conjunction with a new Antarctic hub — and it would accept marginally higher costs to refuel at Macquarie Wharf to reflect the efficiency gains.[3]

- S 39 [redacted]

S 39 [redacted]

In conclusion, bunkering arrangements in Hobart do not appear to be a critical deterrent to current and future operators, and there is no consensus that a fuel barge would make Hobart more attractive to potential visitors. Further, none of the stakeholders interviewed for this study have suggested that there is significant latent demand by international operators for additional visitation that could be activated by access to a fuel barge.

[3] These benefits would not apply if refuelling operations were conducted at Huon Quays, and given it would involve similar ship movements to Selfs Point, there would be no advantage in this arrangement.

The Department could verify this by surveying international operators on the specific factors in order of priority that influence their decisions on port visitation and resupply, the value that users place on bunkering arrangements, and whether a fuel barge in the Port of Hobart would materially affect their future decisions.

Mitigating risks that current users may withdraw from Hobart

The counterweight to attracting more visits to Hobart is the risk of current users — including the Institut Polaire and less regular visitors — deciding to withdraw from Hobart for resupply or crew changeovers if they consider that bunkering arrangements are inefficient or materially affected their resupply operations.

S 39 [redacted]

There has been some concerns expressed in the past that the Institut Polaire would utilise another port when the *L'Astrolabe* is replaced in 2017.

Applying the rule of thumb that each visit contributes around $1.0 million to the economy, the direct economic impact of losing the Institut Polaire would be up to $8 million per annum, based on an average of 8 visits per season for the *L'Astrolabe* and its replacement vessel.

S 39 [redacted]

Given this, the risk of losing the Institut Polaire appears to be relatively small, and acquiring a fuel barge as a risk mitigant could not be justified in isolation. Discussions with the Institut may be able to confirm the advice that Strategy 42 South has received from P&O.

Reducing ship movements under the Tasman Bridge

As noted earlier, the length of Antarctic vessels is generally increasing. In turn, this increases risks of passing under the Tasman Bridge to refuel at Selfs Point, which is currently managed by scheduling movements and a requirement that all vessels exceeding 110m in length are accompanied by TasPorts' pilots.

The vessels that will replace the *Aurora Australis* and *L'Astrolabe* are both larger than the existing vessels. AAD advised that the new Australian supply vessel has been specifically designed to pass under the Bridge, and the new *L'Astrolabe* will be 72m, which is smaller than the *Aurora Australis.*

CSIRO noted that, from its perspective, passing under the bridge is not a major issue for the *Investigator* and presented a counter-argument that any fuel spills would be less harmful and easier to contain at Selfs Point compared to the port.[4]

For the purposes of an economic assessment, the risk of damaging the bridge in an incident is low but it would have an extremely, and probably indeterminable, high impact. Further, there are longstanding and transparent protocols that mitigate this potential impact, including the mandatory use of TasPorts tugs for large vessels. Accordingly the potential cannot be sensibly quantified or built into an economic case for investment.

Avoided costs of unnecessary port movements

If a fuel barge was acquired, the operators of Antarctic vessels would save money by avoiding the current port fees incurred in moving between the docks and Selfs Point.

These bridge transit costs vary, based on the size of the vessel. For smaller vessels, fees are currently around $3,000 whereas TasPorts has advised that the *Xue Long* would attract an additional port transfer fee of $37,000 to go from Mac Point to Selfs Point and return.

Using a discount rate of 3.0 per cent (slightly above the current 10 year Commonwealth bond yield), the net present value of these avoided costs is $1.0 million for 20 visits per annum by smaller vessels — around the current number of visits by Australian and international vessels — and $1.6 million for 30 visits. A smaller number of visits by larger boats would have a similar impact.

The avoided costs are relatively easy to measure, but are inadequate at current fee levels and aggregate ship movements to offset TasPorts' commercial losses from the fuel barge investment, and hence only partly offset the downsides from the proposed investment rather than contributing to a positive economic case.

While the avoided costs can be considered to be an economic gain, stakeholder discussions suggest that it is unlikely to be a material factor in future visitation decisions.

S 39 [redacted]

6. BARRIERS AND FUNDING MODEL

S 39 [redacted]

The primary source of operating revenue for the fuel barge's owner would be a small margin for handling and delivering the fuel, which the business case found to be inadequate to cover capital and operating costs.

Strategy 42 South is not aware of funding model analysis, or any proposed allocations between the Commonwealth and State, or their respective agencies, to address both the capital cost and operating losses.

[4] This point may be contentious, as the Department has advised that oil containment buoys could be utilised during refuelling operations to mitigate the quayside risk.

ASP Ship Management Group currently operates a fuel barge in Gladstone, and previously operated similar vessels in Sydney (Port Jackson) and Melbourne. The Group does not appear to have been involved in any discussions regarding a fuel barge for the Port of Hobart to date. However, it was able to provide substantial guidance to Strategy 42 South on the general challenges of operating fuel barges.

Key points included:

- there are significant compliance requirements for any operator, requiring extensive systems and management expertise. However, registration is relatively straightforward, and aligned to the domestic-commercial process for other vessels under the jurisdiction of the Australian Maritime Safety Authority
- it would be possible for TasPorts to train its existing crews (especially tugs) to operate a barge and mitigate the cost of either maintaining a permanent crew or bringing in seasonal crews for the relatively short season
- it would be preferable to have specialists in areas such as environmental management, spill containment and fuel management within its crews, and some hands with experience in tanker operations would be essential. Finding and retaining these experienced staff has been a constant challenge for ASP's Gladstone operation
- the skill requirements and mix of staff place upward pressure on labour costs, particularly when additional training and skill allowances are sought
- the operating cost for a 365 day operation is around $2.1 million, and there are significant maintenance costs that are largely fixed and/or difficult to accurately forecast.

S 39 [redacted]

Accordingly, there appears to be a significant risk that the capital and/or operating costs in TasPorts' business case are underestimated, and that the challenges of managing the fuel barge with appropriately skilled and experienced crew must be adequately recognised and considered.

7. CONCLUSION

This report has considered the case for the acquisition of a fuel barge to service Antarctic and other vessels in the Port of Hobart.

Firstly, it has considered whether there are any additional revenue sources that could improve the barge's viability? These revenue sources appear difficult to secure with any certainty and there is little or no pricing advantage over other options. Further, it is not appropriate to include any such sales as an economic benefit as they merely displace other suppliers.

Secondly, are there broader economic effects that could offset the negative commercial return on the fuel barge?

- reducing the number of movements under the Tasman Bridge is seen as desirable; however risk management practices are well-established and any economic impact is largely mitigated. Further, it is impossible to sensibly quantify, for an economic study, the extremely low probability but extremely high impact of a vessel colliding with the bridge

- there is potential to increase the number of port calls to Hobart, and little apparent risk of losing the French involvement with the Hobart Antarctic gateway for the *L'Astrolabe* or its replacement. At best, and taking into account the gradual decline in visitation in recent years, around five additional visits could be secured that would contribute around $3 million per annum. However, there are divergent views on whether the availability of a fuel barge would have an impact on visitation; and
- as a fuel barge would reduce the number of unnecessary port movements, there are avoided cost benefits. However, these are between $1.0 million and $1.6 million in NPV terms, which is insignificant.

Putting these sources of economic benefits together, it is not clear that acquiring a fuel barge would directly lead to material economic gains, there is little evidence of significant latent demand by international operators for additional visitation that could be activated by access to a fuel barge, and a practical structure has not been developed that would cover the significant operating and maintenance costs in the long-term.

Accordingly, for a fuel barge acquisition to be justified, it may be necessary to develop specific strategies would need to be executed to:

- provide confidence that increased fuel sales can be achieved once the fuel barge is in place from customers outside the Antarctic and oceans research sector; and
- encourage more major research institutions to designate the Hobart Gateway as their permanent home port and logistics hub for regular refuel and resupply operations.

Finally, the financial and operational risks of operating fuel barges, as well as potentially significant shortfalls in operating revenue, suggest that a broader range of operating models should be considered to reduce the attached economic risks attached to the acquisition of a fuel barge for TasPorts and the State.

8. NEXT STEPS

Before making a final decision to cease work on the potential acquisition of a fuel barge for the Port of Hobart, the Department of State Growth may consider a survey of relevant international institutions and operators of Antarctic supply and ocean research vessels. This survey would include questions to:

- identify the specific factors that influence their decisions on port visitation and resupply, and ranking their importance, such as:
  - distance to port
  - existing agreements and relationships at the national government level
  - access to broader scientific and education communities and facilities
  - availability of a centralised logistics management facility
  - comparative cost of victualing
  - bunkering arrangements
  - port fees
  - port efficiency
  - availability of crew accommodation and flights
  - cost of crew accommodation and flights
- measure TasPorts' performance (0–5 scale) against these factors
- provide feedback on their suggested priorities for investments in the Port of Hobart
- state whether a fuel barge would materially affect their future port decisions

- willingness to pay a margin for the fuel supplied at quayside relative to the avoided port fees associated with movements to Selfs Point.

In addition to providing definitive proof of latent demand and whether a fuel barge is a material factor in port decisions, the survey would also provide information to support long-term investment and service planning for the Department, TasPorts and other bodies.

If the Department and TasPorts perceive that there is sufficient economic or financial value to continue developing the case for acquiring a dedicated fuel barge, more clarity around the proposed business model would be valuable, including alternatives such as a fully outsourced arrangement, so that TasPorts is less exposed to the substantial operating and financial risks. High-level specifications, with an incentive structure to build external sales volumes, would need to be developed ahead of informal market soundings with existing operators.

These models would provide certainty to both levels of government, which would likely be the key funding bodies.

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ATTACHMENT A

STAKEHOLDERS

In addition to extensive discussions with Strategy 42 South's client, the Department of State Growth, the following stakeholders were consulted in preparing this report.

- TasPorts
- Commonwealth Scientific and Industrial Research Organisation
- Australian Antarctic Division
- P&O Shipping
- ASP Shipping
- Serco Defence
- Tasmanian World Wide Shipping
- Blacklow Economic Consulting.

Their insight and contributions are recognised and appreciated.

Fuel Barge – Background Information for TCS

Overview

This document provides an overview of the information State Growth has collected thus far regarding the viability and logistics of operating a fuel barge in the Port of Hobart. Further detail or context can be provided on any of the points below upon request.

The prospect of a fuel barge to service the maritime needs of the Port of Hobart has been considered by government a number of times. In each case, the work has failed to identify sufficient projected demand to support the commercial case for a fuel barge. However, previous studies have been limited in their scope and have not fully considered the broader social and economic benefits.

Consideration of the need for a fuel barge to service the maritime industry in Hobart has once again come into focus with the arrival of the new Australian ice breaker RSV Nuyina, recent interest from the Antarctic cruise industry, bunkering opportunities for naval vessels and the emerging prospect of Hobart as a home port for the US Coastguard. Added to this, the Premier recently led a trade mission to South Korea and Japan, where he heard first-hand that having a fuel barge with the required fuels was a minimum requirement for them before they would consider using Hobart as a port for their Antarctic vessels.

South Korean/Japan Trade Mission

Overview

From 6-10 March October 2022, the Hon Jeremy Rockliff MP, Premier and Minister for Trade, led a trade and investment mission to Japan and South Korea.

The Tasmanian Trade Strategy 2019–2025 identifies Japan as a market for broad trade and international relations engagement, and South Korea for focused defence and advanced manufacturing engagement.

This mission provided an opportunity for Tasmanian businesses to explore new trade and investment opportunities across food & beverages, education, the Antarctic and investment sectors.

The 38-member delegation that included 21 Tasmanian businesses, held a series of business meetings, site visits and networking events to establish new partnerships and strengthen existing ones. This was rounded out in Japan by a Tasmanian showcase at the four-day FOODEX 2023 exhibition – one of the largest food and beverage shows in Asia with an audience of 85 000 prospective buyers from around the world.

The mission provided attending Tasmanian businesses with valuable market insights as well as access to key decision-makers and potential partners.

Notes from Mission

For South Korea, the lack of a fuel barge is deal-breaker noting they now operate using JP5 jet fuel. Premier has noted progression of this as a priority.

Potential Users

Existing customers that may make use of a fuel barge include the Nuyina (Australian Antarctic Division / AAD) and the RV Investigator (CSIRO). The AAD have an existing arrangement with Selfs Point for refuelling, however it is anticipated they would be willing to use a fuel barge if the pump price was comparable. Nuyina requires Antarctic-grade diesel, RV Investigators fuel type is unknown.

S 38, S 39 [redacted]

s 39 [redacted]

S 38 [redacted]

Current Demand

Hobart is currently not a big bunker call port. Discussions have indicated the Port uses around 20 million litres of fuel per year (unverified).

Antarctic Contact

S 36 [redacted] has been briefed that TCS will contact her directly for stakeholder contacts and local users of maritime fuel.

S 36 [redacted]@stategrowth.tas.gov.au

Phone: (s 36 [redacted] | s 36 [redacted]

TasPorts would be another good organisation to approach for information related to current/potential users of maritime services.

Costs

Fuel providers with assets at Selfs Point have previously investigated a dumb barge (most recently VIVA), but the costs associated with operation and compliance indicated it would not be commercially viable.

If customers who currently refuel at Selfs Point are to be convinced to switch to using a fuel barge, the pump-price and efficiency of refuelling will need to be able to compete. The costs associated with transiting under the Tasman Bridge (e.g. pilotage) are part of this consideration. The barge would also need to compete with road tankers, which provide fuel at cost comparable to Selfs Point but are much less efficient.

Berthing

s 39 [redacted]

Ownership

s 39 [redacted]

S 38 [redacted]

Fuel requirements

Current players at Selfs Point are BP Marine, Ampol Marine and Shell (VIVA).

The Antarctic sector requires Antarctic-grade diesel. VIVA is the only manufacturer of this in the Asia-Pacific region (Geelong refinery). However, BP is the only provider who currently has a tank for it in Tasmania.

Cruise ships use a heavy crude bunker oil that is not available in Tasmania. Cruise ships currently do not refuel at all in Hobart, bunkering in Melbourne or Sydney instead.

Other considerations

s 38 [redacted]

The size and capacity of the barge is another key consideration here. The bigger the capacity the fewer passes under the bridge the barge must make, but a larger barge makes berthing and manoeuvring around the Port more complex.

TasPorts currently have 2 Z-Tugs that could move a dumb barge of the appropriate size around, but they don't have firefighting capability. Charging rates for use of the tugs, as well as any other new tariffs, would need to be factored into any costings.

Previous investigations into viability

s 38 [redacted]

s 38 [redacted] The political view, recently articulated through the *Antarctic Strategy 2023-2025* is also for this to be an 'industry led' initiative, leaving the department seeking to identify credible pathways to progress this initiative and hence the need to better understand options and issues to move this forward through this consultancy.

Alternative Solutions

S 38 [redacted]

Attachments

Tasmanian Antarctic Gateway Strategy 2022–2027

As discussed in a preliminary meeting, the following descriptor relating to a fuel barge has been extracted from the Tasmanian Antarctic Gateway Strategy 2022-2027 (Attachment 1).

This will provide some rationale/background lead in for TCS when approaching key stakeholders.

Goal 1: Invest in Tasmania's strategic Antarctic gateway infrastructure - a potential fuel barge service in Hobart would enable delivery of fuel at berth-side, thereby reducing the demand for vessels to transit under the Tasman Bridge and allowing larger vessels that currently cannot fit under the bridge to take fuel in Hobart.

This is listed as an action on page 9:

Action 1.3 – Encourage an industry led collaboration for a fuel barge to facilitate refuelling efficiencies and future growth in vessel visitation.

Tasmania's Antarctic Sector – Case for a Fuel Barge Report (Report)

This report (Attachment 2) considers the economic context of the Antarctic sector in Tasmania and the financial and economic case for investing in a new barge to provide refuelling capacity in the Port of Hobart for Antarctic supply and research vessels.

Note that this report only considers demand from the perspective of the Antarctic sector solely.

This report has been prepared by Strategy 42 South for the Department of State Growth, and it is acknowledged that the report may be distributed to other parties.

However, the report is not intended for public release and potentially contains information that should be considered as commercial-in-confidence.

From: Smythe, Andrew
Sent: Friday, 19 May 2023 10:51 AM
To:
Cc: S 36 Stewart, Brett
Subject: Fuel Barge - Update

Hi – as discussed, and by way of update following the Premier's recent trade mission

In May 2023, the department formally engaged Thompson Clarke Shipping (TCS) to provide expert advice on the best pathway for introducing a fuel barge for the Port of Hobart.

TCS is a consultancy firm that specialise in the provision of operational, commercial and maritime advice.

TCS has been asked to:

- consider appropriate barge specifications for the Port of Hobart;
- consider quantification of leasing and procurement costs;
- consider quantification of latent demand; and
- undertake engagement with key industry stakeholders for input on what partnership arrangements may look like.

TCS has committed to providing the department with a final report in mid-August 2023. It is expected that, shortly after receipt of this report, the department will provide you with further advice.

Background:

The prospect of a fuel barge to service the maritime needs of the Port of Hobart has been considered by government a number of times. In each case, the work has failed to identify sufficient projected demand to support the commercial case for a fuel barge. However, previous studies have been limited in scope and have not fully considered broader benefits.

Anecdotal evidence suggests that a fuel barge has the potential to attract new users, optimise existing port efficiencies and bring with it broader economic and social benefits. This is further supported by the increase in activity associated with Antarctic and Southern Ocean research and other prospective opportunities linked to tourism and defence.

Although the issue of fuel supply is complex; industry and stakeholder feedback has been positive on the prospect and benefits of a fuel barge for the Port of Hobart. In March 2023, as part of the Premier's Trade and Investment Mission to the Republic of Korea and Japan, South Korean Antarctic representatives noted that a fuel barge would provide refuelling capability for its vessels but that presently, Hobart is not considered a possible destination due to lack of appropriate refuelling options.

Financial Implications:

The consultancy is funded within the existing operational budget of Strategy, Policy and Coordination.

Please advise if you require any further information to assist with discussions with the Premier

Kind Regards

Andrew Smythe | General Manager – Strategy, Policy and Coordination
Resources, Strategy and Policy | Department of State Growth
4 Salamanca Place Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Mobile: S 36
www.stategrowth.tas.gov.au

Document 5

From: Stewart, Brett
Sent: Monday, 14 August 2023 3:11 PM
To:
Cc: Swain, Gary; McIntyre, Denise; S 36 S 36
Subject: Fuel Barge dot points

- The Tasmanian Government is aware that following intensive testing and simulation, Tasports have recently notified the AAD that it cannot approved the transit of the RSV Nuyina under the Tasman Bridge for refuelling.
- The Tasmanian Government understands the importance of providing safe and efficient refuelling solutions for all vessels visiting Hobart, including the RSV Nuyina.
- As the RSV Nuyina is home-ported in Hobart, the Tasmanian Government is committed to helping develop a refuelling solution as a matter of priority.
- Fortuitously, following the Premier's Trade and Investment Mission to the Republic of Korea and Japan in March 2023, the Premier asked State Growth to look into the options for a Fuel Barge for the Port of Hobart as an enable for our role as an Antarctic Gateway and a maritime consultant was engaged to provide advice on this.
- This report is expected in the next few weeks, and we will share this with the AAD and Australian Government to help inform the development of refuelling solutions for the RSV Nuyina.

Brett Stewart | Deputy Secretary
Resources, Strategy & Policy | Department of State Growth
Level 6, 4 Salamanca Place, Hobart | GPO 536 Hobart, Tasmania, 7001
Phone: (03) 6165 5259 | Mob: S 36
www.stategrowth.tas.gov.au

Courage to make a difference through
TEAMWORK | INTEGRITY | RESPECT | EXCELLENCE

In recognition of the deep history and culture of this island, I acknowledge and pay my respects to all Tasmanian Aboriginal people; the past, and present custodians of the Land.

From:
Sent: Tuesday, 17 October 2023 1:14 PM
To: S 36
Cc: S 36 S 36 Kendall Carter; Kim Summerill; Lis Horrell
Subject: Fuel Barge - FINAL REPORT
Attachments: State Growth - Fuel Barge for Port of Hobart - TCS Final Report.pdf

Good afternoon S 36

Thank you for sending through DSG's final comments.

These have now been incorporated into the FINAL REPORT, which is attached for your information.

If you have any further comments or questions, please don't hesitate to contact me.

I look forward to a final discussion with S 36 on his return and once he has had the opportunity to review the Final Report.

Thanks again and regards,
Chris

Thompson Clarke Shipping Pty Ltd
Suite C202, Level 2, 6 Pine Tree Lane, PO Box 652
TERRIGAL NSW 2260 AUSTRALIA

Tel: +61 2 4385 8752
Mob:
Email.

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From: s 36 @stategrowth.tas.gov.au>
Sent: Tuesday, October 17, 2023 11:29 AM
To:
Cc: s 36 @stategrowth.tas.gov.au>; s 36 @stategrowth.tas.gov.au>
Subject: RE: Final Draft Report

Hi

Thank you for sending this through. s 36 and I have reviewed, and we are happy with the report.

We have some tracked changes for minor edits in the attached document, as well as flagged content that we think should be in the executive summary.

Can you please action these and we will hopefully all be ready to go by the time S 36 gets back.

Kind regards,
S 36

S 36
Strategic Projects | Department of State Growth
Level 6, 4 Salamanca Place, Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Phone: S 36
www.stategrowth.tas.gov.au

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In recognition of the deep history and culture of this island, I acknowledge and pay my respects to all Tasmanian Aboriginal people; the past, and present custodians of the Land.

-----Original Message-----
From:
Sent: Friday, 13 October 2023 3:30 PM
To: s 36 @stategrowth.tas.gov.au>
Cc: s 36 @stategrowth.tas.gov.au>
Subject: Final Draft Report

Good afternoon S 36

As discussed, please see attached TCS' Final Draft version of the Fuel barge report. This now incorporates all of the changes required by DSG and all of the new comments / input from AAD, as appropriate.

I anticipate this will arrive in good time for you to be able to review prior to S 36 s return, so that we can hopefully finalise it soon after he gets back to work, next week.

Could you please forward this to S 36 as I don't appear to have his direct email address.

If you have any further questions, please don't hesitate to call.

Thanks and regards,

Thompson Clarke Shipping Pty Ltd
Suite C202, Level 2, 6 Pine Tree Lane, PO Box 652 TERRIGAL NSW 2260 AUSTRALIA

Tel: +61 2 4385 8752
Mob:
Email:

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-----Original Message-----
From: s 36 @stategrowth.tas.gov.au>
Sent: Tuesday, October 3, 2023 8:42 AM
To:
Cc:
Subject: Re: Final Report

Thanks . There's no need to wait for me to return if you want or can get it to S 36 and S 36 sooner though.

Regards

S 36

Sent from my iPhone

> On 2 Oct 2023, at 2:29 pm, wrote:
>
> Good morning S 36
>
> Thanks for your mail and all understood. We'll work with what's now been provided and assume there will be no further feedback from AAD, following your face to face meeting.
>
> Once we have a final draft, I'll share it with S 36 and S 36 with a view to being prepared for your return to the office.
>
Out of scope .
>
> Regards
>
>
>
>
>
>
>
> Thompson Clarke Shipping Pty Ltd
> Suite C202, Level 2, 6 Pine Tree Lane, PO Box 652 TERRIGAL NSW 2260
> AUSTRALIA
>
> Tel: +61 2 4385 8752
> Mob:
> Email:
>
> Join our Monthly Maritime Insights eNewsletter
>
>
>
> -----Original Message-----
> From: s 36 @stategrowth.tas.gov.au>
> Sent: Monday, October 2, 2023 2:15 PM
> To:
> Subject: Final Report

>
> Hi
>
Out of scope
>
> Can you please liaise with S 36 and S 36 regarding the Final Report. They are both across the content. You should have all State Growth's changes now.
>
> I'm thinking they can do a read-through once you send the Final Report and do a last check. I hope this is suitable for you?
>
> I wouldn't mind having a catch-up with you once I'm back just to talk through the process and do thank-you's to you and your team.
>
> Can you CC me in any correspondence. I'll have my laptop with me but may have limited reception some days.
>
> Let me know if you have any issues or questions.
>
> Thanks again
>
> S 36
>
>
> Sent from my iPhone
>
> _____
>
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THOMPSON CLARKE

Specialist Maritime Expertise

Department of State Growth

Fuel Barge for Port of Hobart

October 2023

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The professional analysis and advice in this report has been prepared by Thompson Clarke Shipping (TCS) for the exclusive use of the party or parties to whom it is addressed (the addressee) and for the purposes specified in it. This report is supplied in good faith and reflects the knowledge, expertise and experience of the consultants involved. The report must not be published, quoted or disseminated to any other party without TCS's prior written consent. TCS accepts no responsibility whatsoever for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the addressee.

In conducting the analysis in this report TCS has endeavoured to use what it considers is the best information available at the date of publication, including information supplied by the addressee. Unless stated otherwise, TCS does not warrant the accuracy of any forecast or prediction in the report. Although TCS exercises reasonable care when making forecasts or predictions, factors in the process, such as future market behaviour, are inherently uncertain and cannot be forecast or predicted reliably.

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List of Figures

1 Executive Summary

Thompson Clarke Shipping (TCS) was engaged by the Department of State Growth (State Growth) on the potential acquisition of a fuel barge for the Port of Hobart, Tasmania. State Growth is open to procurement options (purchase or lease) and seeks a 'partnership arrangement' where industry leads, with government financial support. TCS is required to provide guidance on barge specifications, costs, and latent demand to determine the best approach s38

Fuel in Hobart is supplied by road tankers over the berth, or by pipeline at the Selfs Point fuel installation. These supply methods pose several challenges for port users.

When utilising road tankers, each operation consumes a minimum of two hours, exclusive of connection and disconnection time. Additionally, vessels are unable to undertake concurrent cargo or supply loading during refuelling by road tankers. Securing road tankers for weekend transfers is reportedly challenging. To fully refuel a vessel like the Research Vessel (RSV) *Nuyina*, requiring 3,500 kl of MGO, approximately 64 road tankers would be needed.

The Selfs Point facility, situated three nautical miles north of Hobart's primary port, mandates that vessels navigate under the Tasman Bridge, which imposes a maximum length limit of 110 m. While Selfs Point boasts faster pumping rates (70 kl per hour), the time required for transit, berthing, and unberthing significantly prolongs the fuelling process. Moreover, larger vessels, such as *Nuyina*, lack certification to pass beneath the Tasman Bridge, thereby restricting access to Selfs Point.

There exists an opportunity to address these issues by introducing a fuel barge capable of serving all vessel sizes, whether alongside or at anchor. A fuel barge would eliminate the need for slower road tanker transfers, reduce fuelling time, enable concurrent cargo and supplies loading, and enhance port efficiency. A fuel barge can be configured to deliver multiple fuel types such as Special Antarctic Blend (SAB), Marine Gasoil (MGO) and even aviation fuel, The delivery of Heavy Fuel Oil (HFO) by barge might not be feasible due to climate conditions in Hobart and limited demand. This would rule out cruise ships and any other vessels that require HFO from consideration. Moreover, the absence of anchorage fuelling options is a major gap at present. Hobart has limited berth space and there is limited berth space at Selfs Point. A fuel barge would allow the port to leverage Hobart's expansive natural harbour for fuelling at anchor and could allow more ships to visit the port.

TCS undertook stakeholder consultation regarding the introduction of a fuel barge in Hobart. s39

s38, s39

s38, s39

A separate study should investigate Hobart's capacity to attract additional Antarctic ships. If TasPorts cooperation is secured, a Request for Quotation process should be initiated to procure a provider for the fuel barge operation in Hobart's Port.

2 Introduction

2.1 Background

TCS was engaged by the Department of State Growth (State Growth) to provide specialist advice regarding the proposed procurement of a fuel barge for the Port of Hobart in Tasmania.

s38 [redacted]

Furthermore, TCS understands that State Growth requires advice on the potential barge specifications, procurement and operational costs, and the latent demand for a fuel barge, s38 [redacted]

s38 [redacted]

2.2 Scope of Work

TCS was engaged to provide technical expertise in maritime issues to provide the following:

- Advice on appropriate barge specifications, including optimal hull size, capacity and fuel type and storage requirements (with consideration given to TasPorts' requirements and Tasmania's regulatory setting).
- Quantify a schedule of procurement costs, including upfront capital costs and operational and recurrent expenditure in the short-to-medium term (3-year minimum) s38 [redacted].
- Quantify the latent demand for a fuel barge.
- Engage three industry stakeholders for input on what a partnership arrangement could look like (including costings).
- Attend two project meetings online (MS Teams or similar) with the State Growth's project team.
- A written report to State Growth, summarising the findings and advice provided.

It is anticipated that the information provided by the consultant will be used as input to a subsequent industry-led process to procure a fuel barge.

2.3 Methodology and Tasks

The following methodology and tasks were undertaken:

- Task 1 – Project Inception Meeting
- Task 2 – Project Literature Review and Research
- Task 3 – Demand Analysis
- Task 4 – Defining Barging Requirement
- Task 5 – Fuel Barging Industry Engagement
- Task 6 – Develop Schedule of Procurement Costs
- Task 7 – Project Meetings with State Growth
- Task 8 – Project Report

3 Project Literature Review and Research

The following documentation was reviewed by the project team during the conduct of the study:

- *Fuel Barge – Background Information for TCS,* State Growth, May 2023.
- *Agenda item 6: Report on Antarctic Gateway Fuel Barge Requirement*; Joint Commonwealth & Tasmanian Economic Council, 26 April 2016.
- *Tasmania's Antarctic Sector, The Sector's Economic Contribution and Case for a Port of Hobart Fuel Barge*; Strategy 42 South, October 2016.
- *Tasmanian Antarctic Gateway Strategy 2022-2027*; Department of State Growth, State of Tasmania, November 2022.
- *20 Year Australian Antarctic Strategic Plan*; AJ Press, Head Inquirer, July 2014.
- *Marine and Safety (Pilotage and Navigation) Regulations 2017, Part 3 Division 1 – Tasman Bridge*, Tasmanian Government, 27 July 2017.
- *Viva Energy Australia Pty Ltd response to RFI 21/1523 Request for Information regarding marine fuel vessel capabilities to support the Australian Antarctic Program in Hobart*, Viva Energy Australia, May 2021.
- *Australian Antarctic Division Fuel Supply Unsolicited Proposal, Hobart Tasmania*, Viva Energy Australia, May 2021.
- TasPorts Ports Procedures Manual.
- TasPorts Non Cargo Liquid Transfer Procedure.
- TasPorts Schedule of Port Charges Effective 1 July 2023.
- Singapore standards for port limit bunker tankers.
- Specifications for ICS Reliance and Allegiance.

4 Demand Analysis

TCS conducted a Demand Analysis for the present and potential future operation of a fuel barge in the Port of Hobart on behalf of State Growth. A literature review was undertaken using previous reports supplied by State Growth and by research. Documents examined are listed in Section 3 above.

A questionnaire was sent to fuel suppliers, ships' agents, present and potential customers, and the port operator seeking their views and opinions. Interviews were conducted via teleconference and telephone. Stakeholder feedback was received from the following:

- Fuel Suppliers
  - Viva Energy Australia Pty Ltd (Viva Energy) / Shell
  - BP Marine ANZ (BP)
  - Ampol Australia Petroleum Pty Ltd (Ampol)

- Shipping Agents
  - Wilhelmsen
  - Monson
  - Inchcape
  - Tasmanian Worldwide Shipping

- Customers
  - Australian Antarctic Division (AAD)
  - Australian Defence Force
  - Korea Polar Research Institute
  - Carnival Australia
  - CSIRO

Other polar research institutes were contacted for their views, however TCS received no replies from France, Japan or the USA.

TCS understands that TasPorts has undertaken previous studies into the viability of a fuel barge in Hobart and has approached TasPorts seeking copies of the earlier reports. s39 [redacted]

4.1 Current Demand

4.1.1 Stakeholders Contacted

TCS contacted fuel suppliers, vessel agents, current fuel customers and TasPorts to make an assessment of the types and amounts of fuel that are currently supplied in the Port of Hobart.

Not all of those contacted replied or were willing to share information they considered to be commercially sensitive, however replies were received from the three main fuel suppliers, four major ship's agencies and three major customers groups for fuel.

4.1.2 Current Fuel Transfer Methods

Fuel in Hobart is currently supplied either via road tankers over the berth or by pipeline at the Selfs Point fuel installation.

4.1.2.1 Road Tanker

Road tankers supply fuel to vessels by driving to the vessel at the berth, connecting a flexible pipeline to the vessel and then pumping fuel. Each tanker typically can supply from 35 kl to 55 kl of bunker fuel depending on its size. The maximum flow rate is approximately 300 l per minute or 18 kl per hour. Thus, each tanker load would take a minimum of two hours excluding connecting up and disconnecting time.

When refuelling a Royal Australian Navy (RAN) frigate, for example, up to five road tanker loads of fuel might be required. Whilst refuelling by road tankers, vessels are unable to load other cargo or

supplies. Anecdotally, road tankers are difficult to obtain for weekend transfers. If road tankers were used to refuel *Nuyina* for a full load of 3,500 kl of MGO (see AAD response at 8.1.6) and it is assumed each road tanker can supply 55kl, then around 64 road tankers would be required.

4.1.2.2 Selfs Point

Vessels can take on fuel via a pipeline at Selfs Point. This facility is approximately three nautical miles north of the main port of Hobart on the River Derwent. To get there, ships have to take a pilot and tugs and pass under the Tasman Bridge. There is a maximum length restriction to pass under the bridge of 110 m. Once there, the pumping rates are considerably faster than those achieved by road tanker, at 70 kl per hour, however the transit and berthing and unberthing add considerable time to the fuelling process and need to be taken into account. Note that *Nuyina* has an overall length of 160.3 m and, since August 2023, has not been certified to pass under the Tasman Bridge.

4.1.3 Current Fuel Types

4.1.3.1 Marine Gas Oil

MGO is the main bunkering fuel for vessels in Hobart. This is a refined product similar to diesel. It is available in Hobart via both road tankers and at Selfs Point.

4.1.3.2 Special Antarctic Blend

SAB is a type of diesel which has unique characteristics with an exceptionally low freezing point which is used in Antarctic RSVs. It can be delivered by road tankers and is also available at Selfs Point.

4.1.3.3 Heavy Fuel Oil

HFO is an unrefined very heavy oil which needs to be heated to 50 degrees for transfer, which is primarily used by large cruise vessels. Cruise vessels can use it as they are fitted with "scrubbers" to reduce sulphur and other emissions from their exhausts. HFO is not available in Hobart.

4.1.3.4 Aviation Fuel

Aviation Fuel is often embarked in containers for supply to Antarctic bases. Avgas and Jetfuel are embarked occasionally by military vessels for use in embarked helicopters.

4.1.4 Amount of Fuel Supplied

4.2 Gaps

The major constraint to bunkering in Hobart is the method of transfer of fuel.

Vessels longer than 110 m have to take fuel by road tanker as there is a restriction on vessel length to transit under the Tasman Bridge to the Selfs Point facility. This is inconvenient and slow. A gap currently exists whereby a fuel barge could fuel all types of vessels, including these larger vessels, either when they are alongside or when they are at anchor. The use of slower, more cumbersome road tankers would not be needed. The fuelling would take less time. Loading of cargo and stores could be conducted simultaneously. Ships would be able to spend less time in port. Different categories of fuel could be supplied from the same barge, noting that HFO could not be supplied without additional costly treatment.

The ability to fuel at anchor is a major gap at present. Hobart has limited berth space and there is limited berth space at Selfs Point. Hobart has the second largest natural harbour in the world with good, safe and sheltered anchorages. The ability to fuel at anchor could allow more ships to visit.

4.3 Potential New Users

s39

s39

s39

s39

s39

s39

4.4 Potential for New Quantum of Volume

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s38

4.5 Determining Factors

This demand analysis has narrowly focussed on the possible future demand for fuel in the port of Hobart. In the replies received to the questionnaires and during interviews, the following factors featured in the responses:

4.5.1 Costs

Bunker fuel costs are a major factor in where vessels take on fuel. Competition between fuel suppliers for business is intense. Many responders emphasised that the installation of a fuel barge in the port must be economically viable. s39

4.5.2 Current Operators

s39 *Nuyina* has not yet fuelled at Selfs Point and is not certified to do so as it is not authorised to pass under the Tasman Bridge. s39

s39

4.5.3 Seasonality

The bunkering and provisioning of Antarctic vessels is seasonal, and these vessels are the major bunkering customers in the port. s39

4.5.4 Future Customers

In considering the viability of operating a fuel barge the possibility that it would attract not only other Antarctic RSVs but also more expeditionary cruise ships, more general cargo vessels and more Defence vessels, both from the RAN and other countries, should be taken into account. The economic impact on the city of these additional visitors would be positive.

5 Defining Barging Requirement

A proposed specification for a bunker barge in the Port of Hobart is provided in table 1 below. This specification has been compiled from the findings of extensive previous studies and recent research into the feasibility of a fuel barge in the port.

s38 [redacted]

The need for a fuel barge, including the current gaps in supply and demand, has been shown in the Demand Analysis in section 4.

Table 1 – Proposed Barge Specification

s38 [redacted]

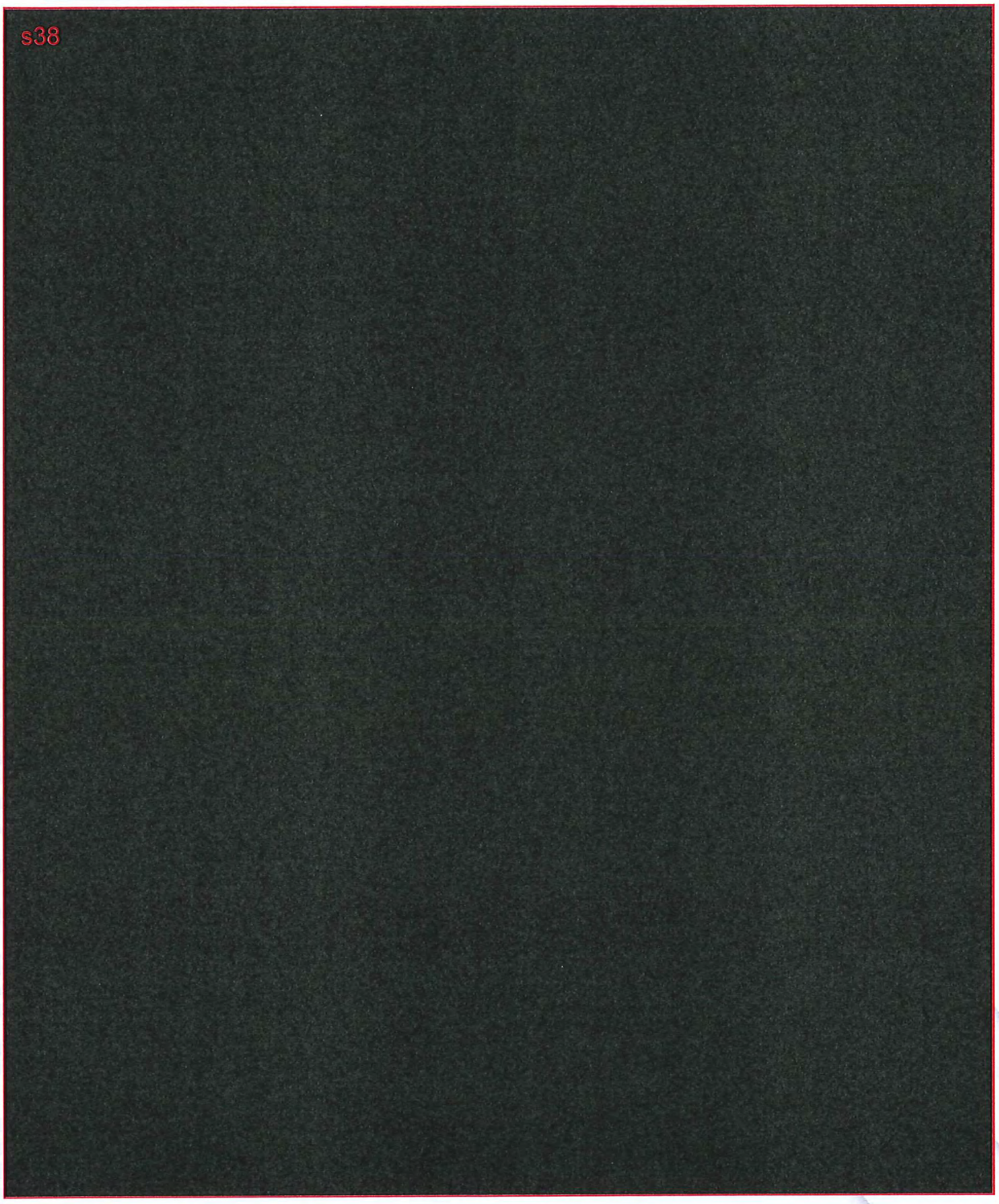
6 Schedule of Procurement Costs

Table 2 below sets out estimated procurement costs for a dumb barge operating for six months per year s38 TCS's selection was informed by stakeholder engagement, industry research, and commercial analysis as described in sections 3 and 4 of this document.

Table 2 – Procurement Costs (for 6 months pa)

s38

s38



6.1 Commercial Viability

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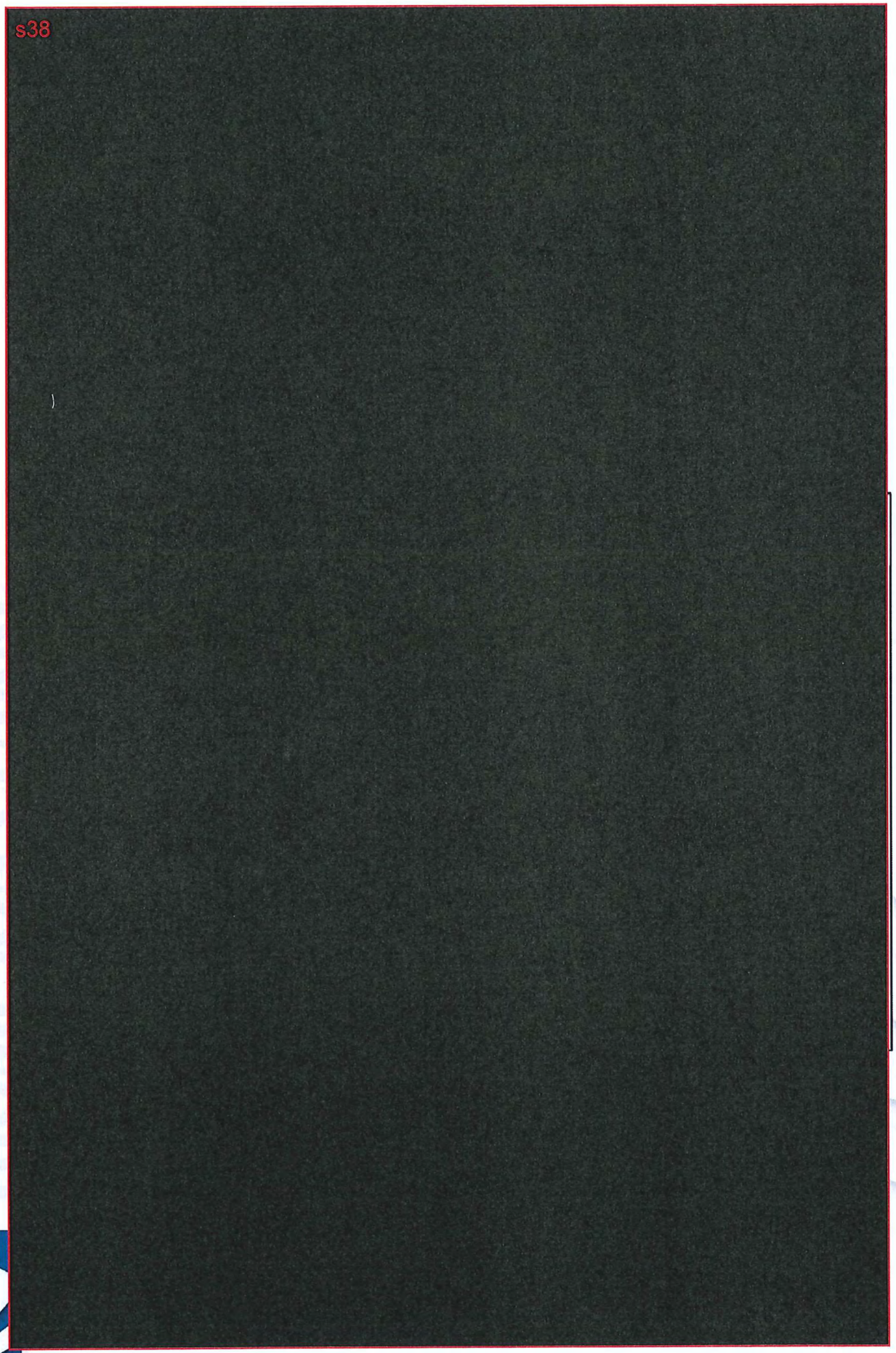
s38


s38

s38 [redacted]

7 Conclusions

1 s38 [redacted]

s39 [redacted]

3. Heavy or residual fuel oils which are used by large cruise liners (which have scrubbers installed to reduce emissions) cannot be supplied at present in Hobart. This fuel needs to be heated to 50 degrees. There is no infrastructure to do this in Hobart and the climate is not conducive. Smaller expeditionary cruise vessels use MGO.

4. All parties who responded to the stakeholder consultation s38 [redacted] are positive about the introduction of a fuel barge to Hobart, with caveats by the fuel suppliers about cost effectiveness, seasonality and subsidies. s39 [redacted]

s38 [redacted]

6. The inconvenience of fuelling via road tankers was stressed by all who used them. They are often unavailable at weekends. Several road tankers are needed to complete a full re-fuel. Their pumping rate is slow compared to a pipeline (Selfs Point) or the rate from a barge. It is not possible to concurrently load other cargo whilst fuelling from a road tanker.

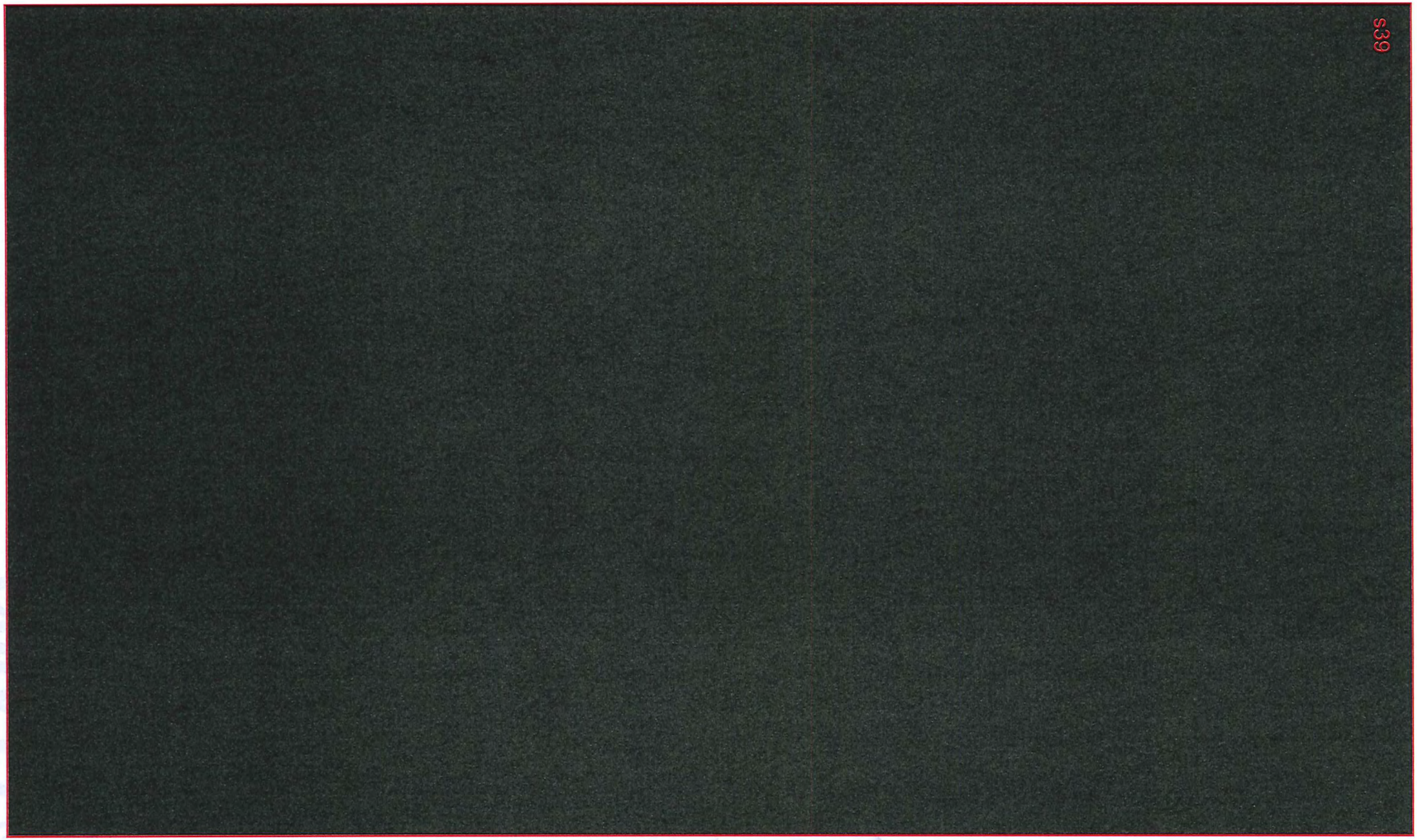
7. Moving a vessel to Selfs Point is inconvenient for customers. Pilotage and towage fees are involved. It requires a longer stay in port. There is a maximum length limit for ships, so larger vessels cannot refuel there. The AAD *Nuyina* is longer than the current limit, has not yet fuelled at Selfs Point and will not be able to do so as it has not been authorised to pass under the Tasman Bridge by TasPorts.

8. The introduction of a fuel barge is attractive to port customers as it negates the necessity of using road tankers. Ships can be refuelled alongside whilst also taking on stores and cargo. Ships do not need to move under pilotage to Selfs Point. A barge can also re-fuel vessels at anchor.

9. Responses to questions about future growth have been generally positive. Most of those responding believe that there will be, or there is the possibility of, more ships visiting the port. A barge might attract other Antarctic RSVs if the price was right. The major factors for attracting other nations' RSVs are proximity to their Antarctica operations, logistics and fuel availability and scientific collaboration. The introduction of a barge would be a significant "pull factor" to other nations Antarctic vessels. s39 [redacted] Cruising is an increasing and expanding sector and smaller expeditionary cruise vessels exploring Tasmania or the sub-Antarctic islands would use MGO which can be supplied by barge. The introduction of a fuel barge appears to have positive benefits for both AAD and TasPorts. *Nuyina* would not have to make a risky transit under the Tasman bridge, s38 [redacted]

10. Two notable recommendations, out of a total of four, were made in the Joint Commonwealth and Tasmanian Economic Council Report, 2016. Recommendation 1 states '*The Council provides in-principle support to on-going collaboration between Tasmanian Government and the state's polar sector, with input from the Commonwealth, aimed at evaluating the public good benefits of procuring a fuel barge to provide quayside bunkering in Hobart's Port, without the need to transit under the Tasman Bridge to Selfs Point*'. Recommendation 3 states '*The Council endorses more work to extend the study already undertaken by TasPorts and provide a comprehensive economic and public good case for procuring a fuel barge* [for the port of Hobart]'. TCS has been unable to find any documentation, or other evidence, that reports on the outcome, or otherwise, of these recommendations beyond the date of the Council Report.

11. s38 [redacted]
12. s38 [redacted]
13. s38 [redacted]
14. s38 [redacted]
15. s38 [redacted]
16. s38 [redacted]
17. s39 [redacted]
18. s39 [redacted]
19. s39 [redacted]
20. s39 [redacted]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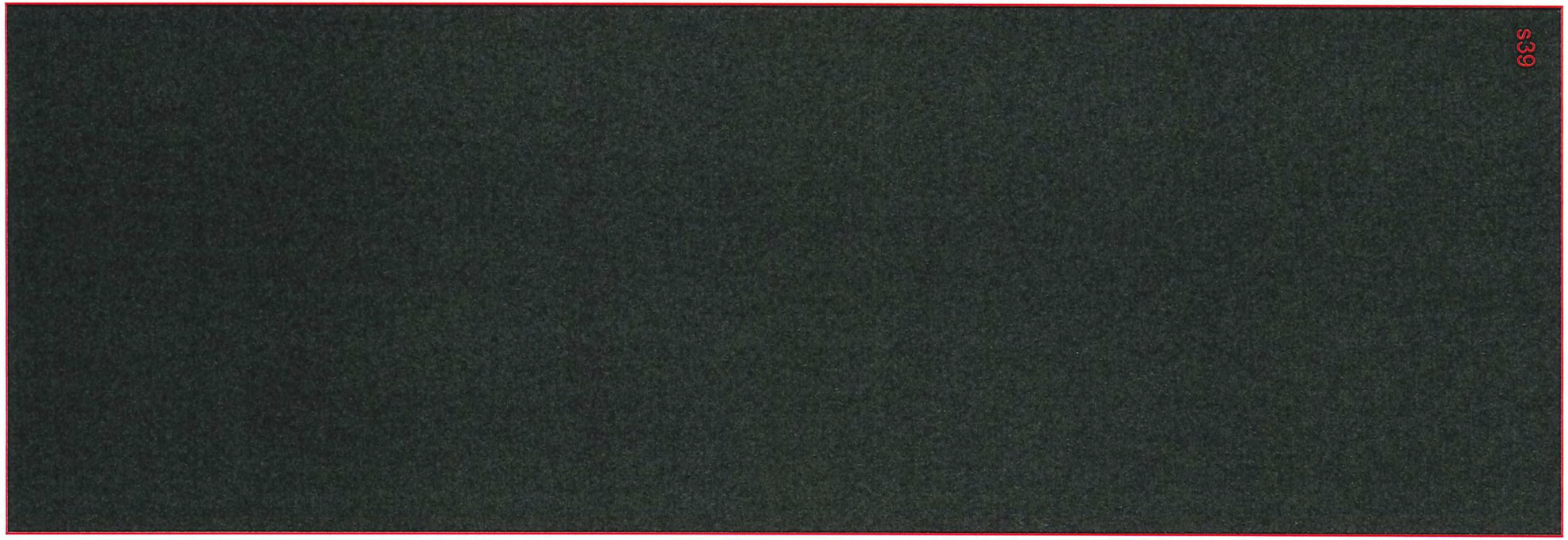

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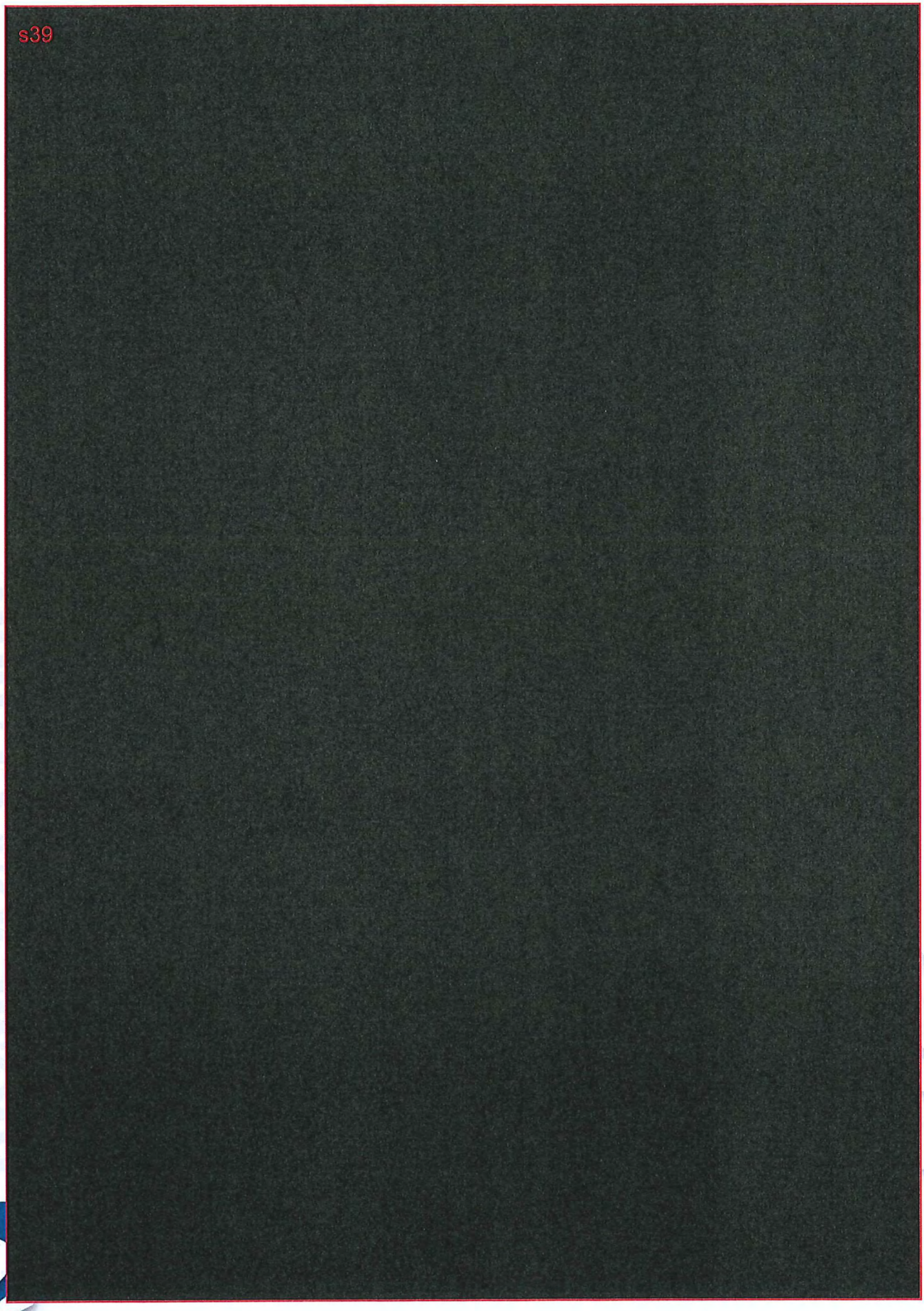

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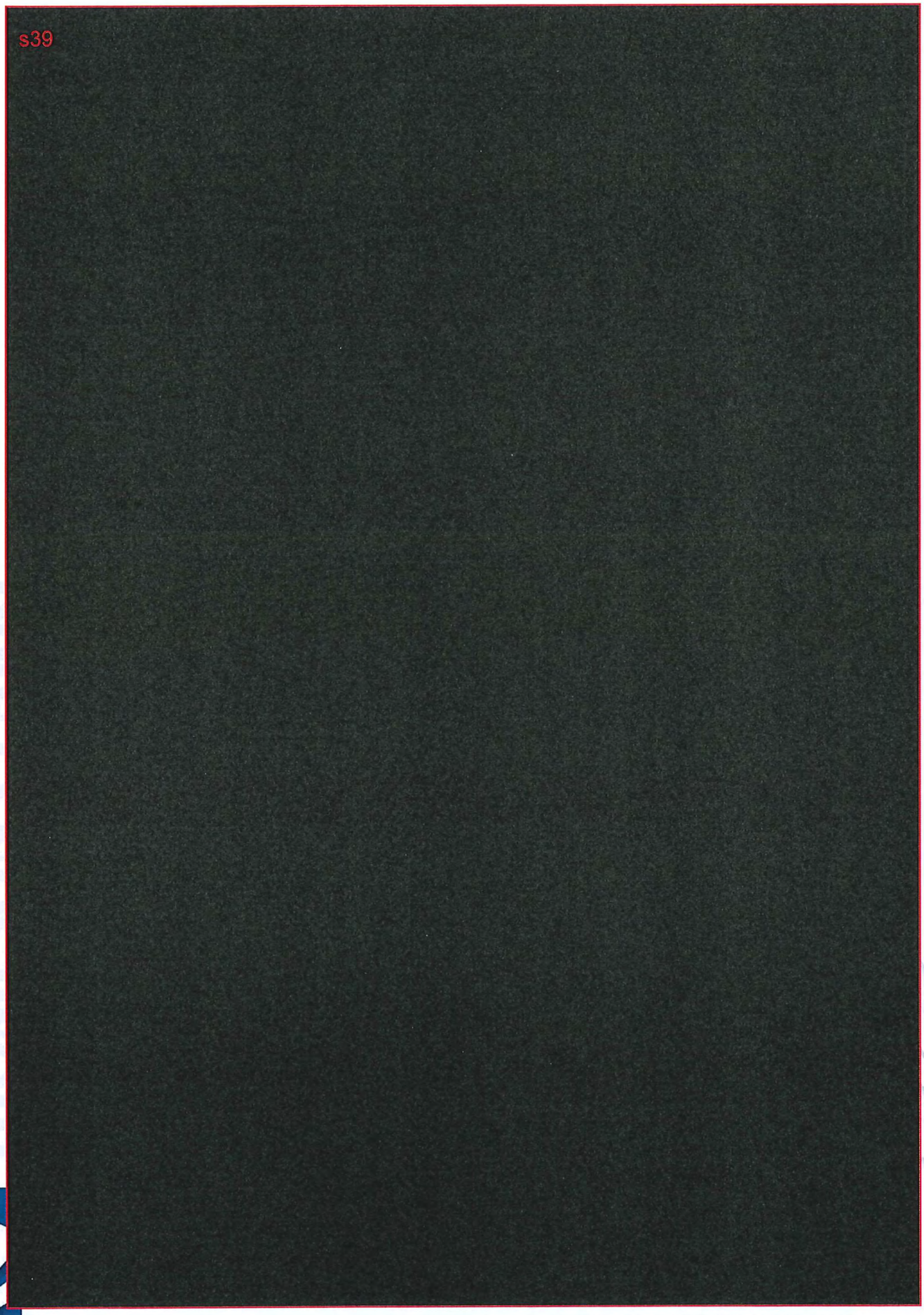

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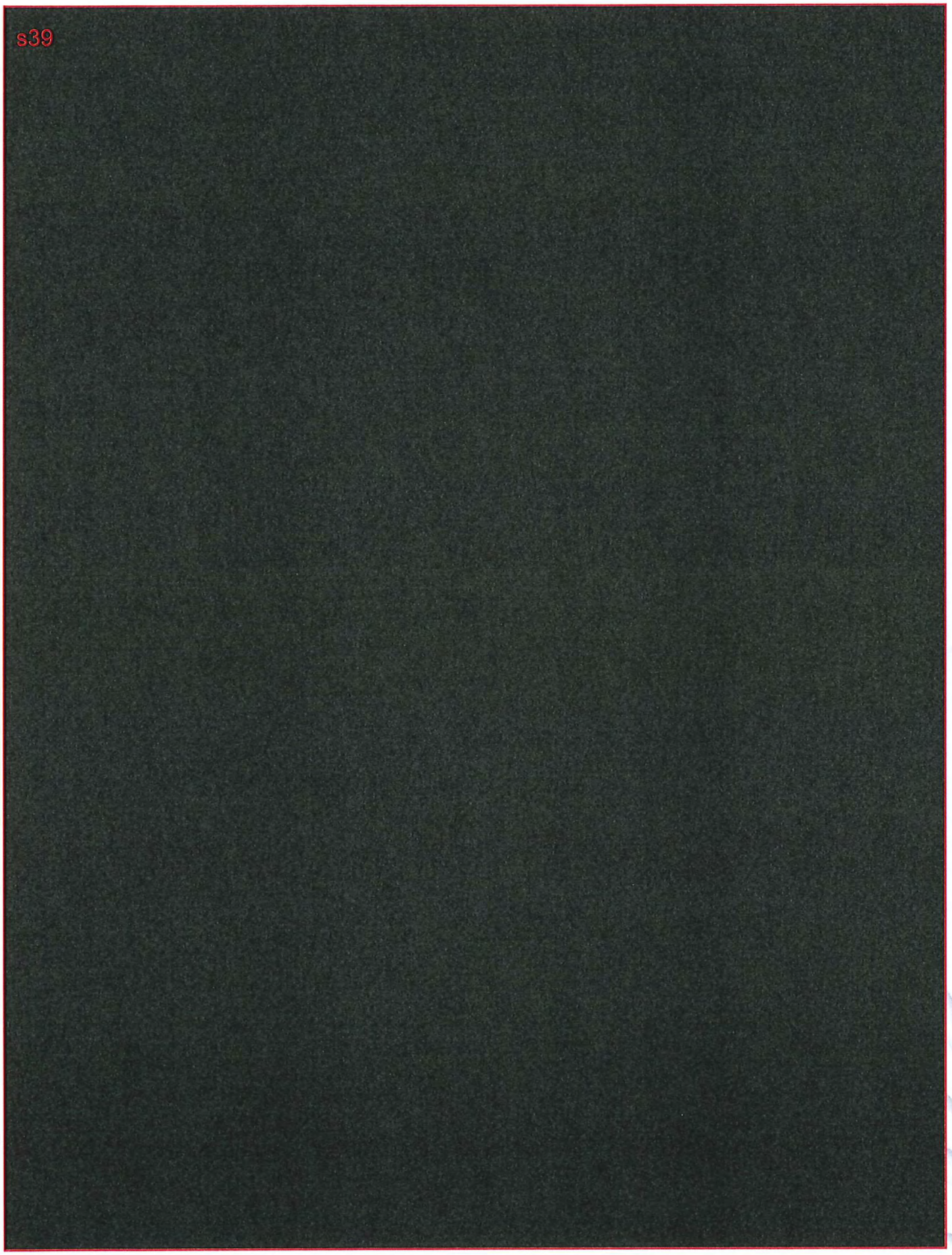


8.2 Fuel Barging Industry Engagement

Following the definition of the fuel barge specification, which was determined through consultation with selected existing operators and potential future users, TCS intended to embark on one-on-one consultation with the three fuel providers based in Hobart. This includes Viva Energy, Ampol and BP.

On 18 July 2023 an introductory email was sent to each of the providers outlining the indicative high level fuel barge specification and requesting their level of interest and expectations prior to State Growth embarking on any kind of procurement process.

The approach was intended specifically to open dialogue with interested fuel providers to discuss and understand some, or all, of the issues associated with the later development of a tender process that would realistically meet both the operational and financial expectations of the fuel industry service providers.

The points of interest put to the fuel providers during this consultation included:

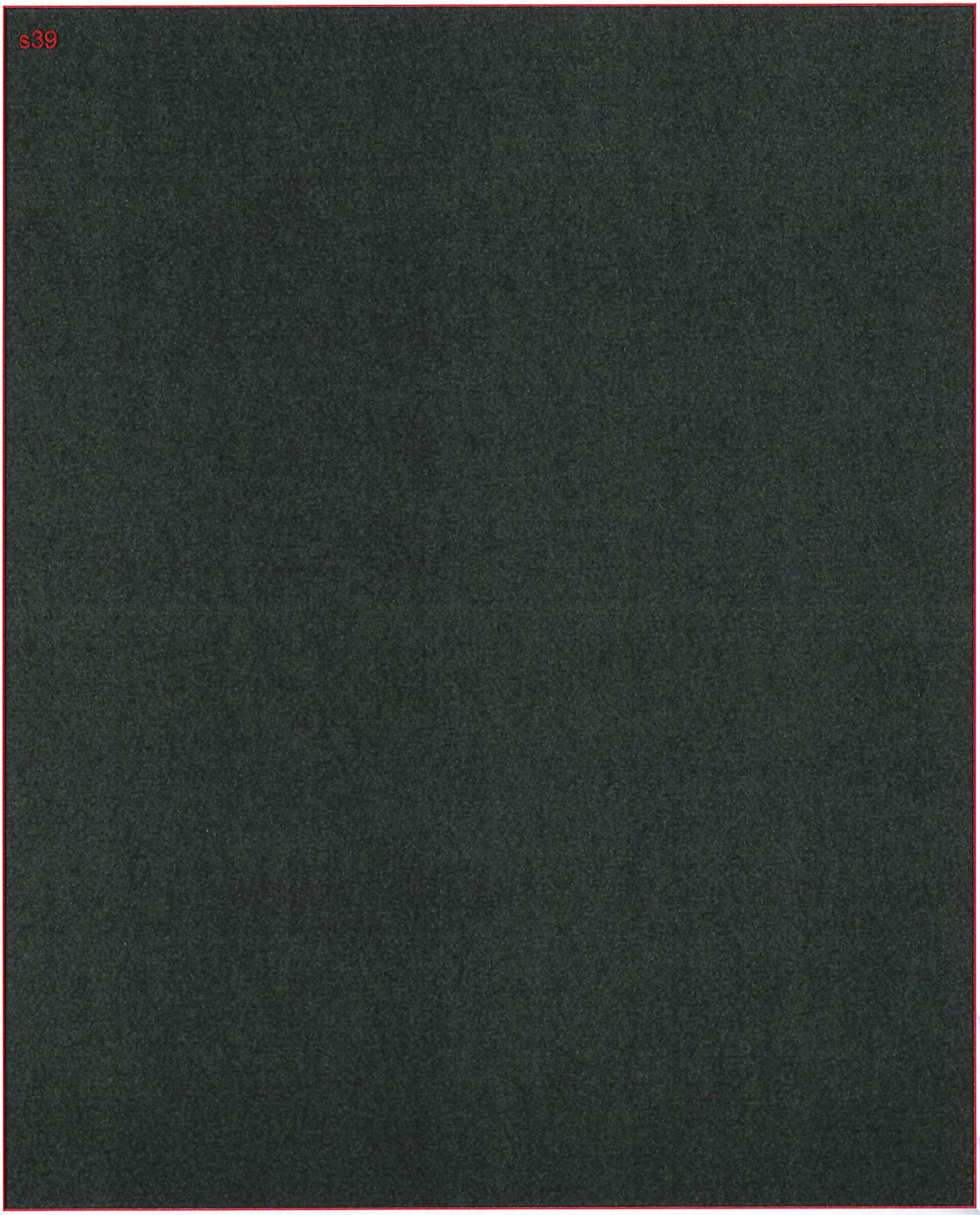
- Your organisation's level of interest in providing a fuel barge in the port of Hobart.
- Your preferred fuel barge solution.
- Any perceived operational requirements.
- Your preferred partnership / management models / parameters.
- Your perception of demand / latent demand for such a service.
- High-level indication costs, including subsidies which may be required.
- Indication of timing.
- Your process expectation.

The fuel providers were requested to advise their interest to participate in further discussion on each of these points. s39 [redacted]

One on one meetings took place with s39 [redacted] on 25 and 26 July 2023 respectively. The points for discussion were reviewed with, and authorised by, State Growth prior to the meetings so as to be sure not to breach any state procurement protocols. T s39 [redacted]

The fuel providers' comments from the meetings were recorded by TCS attendees and a consolidated version is provided below.

s39 [redacted]



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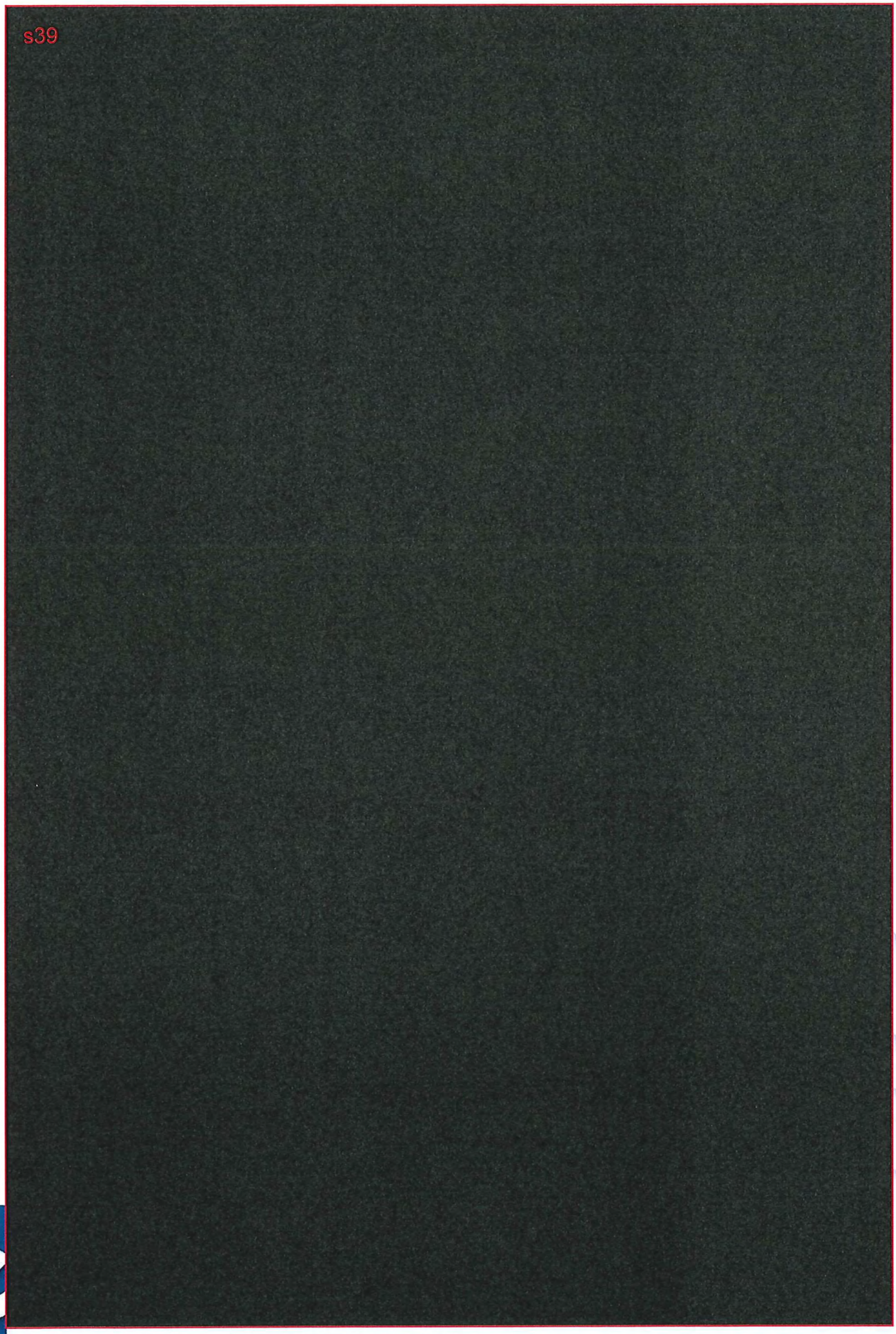

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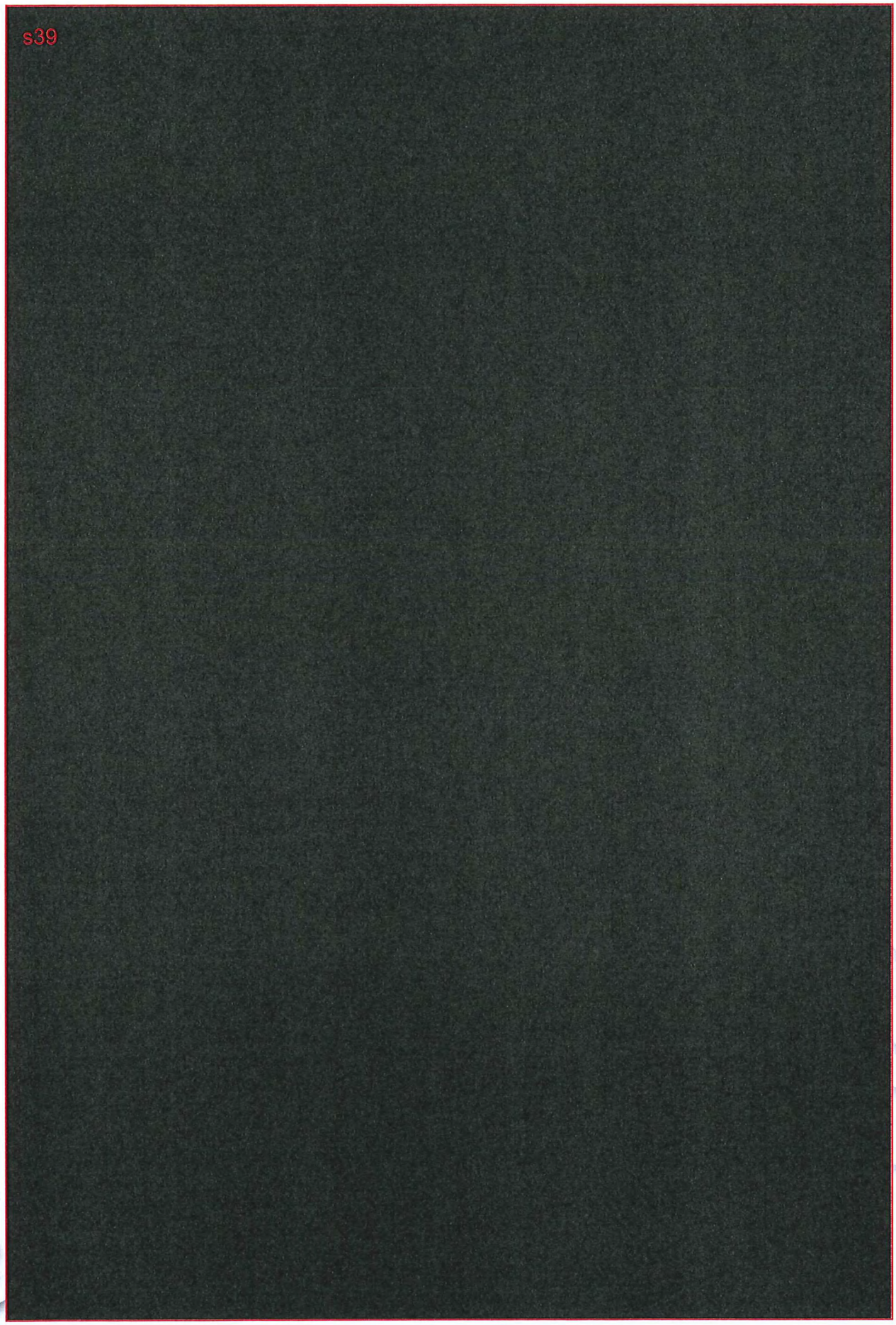

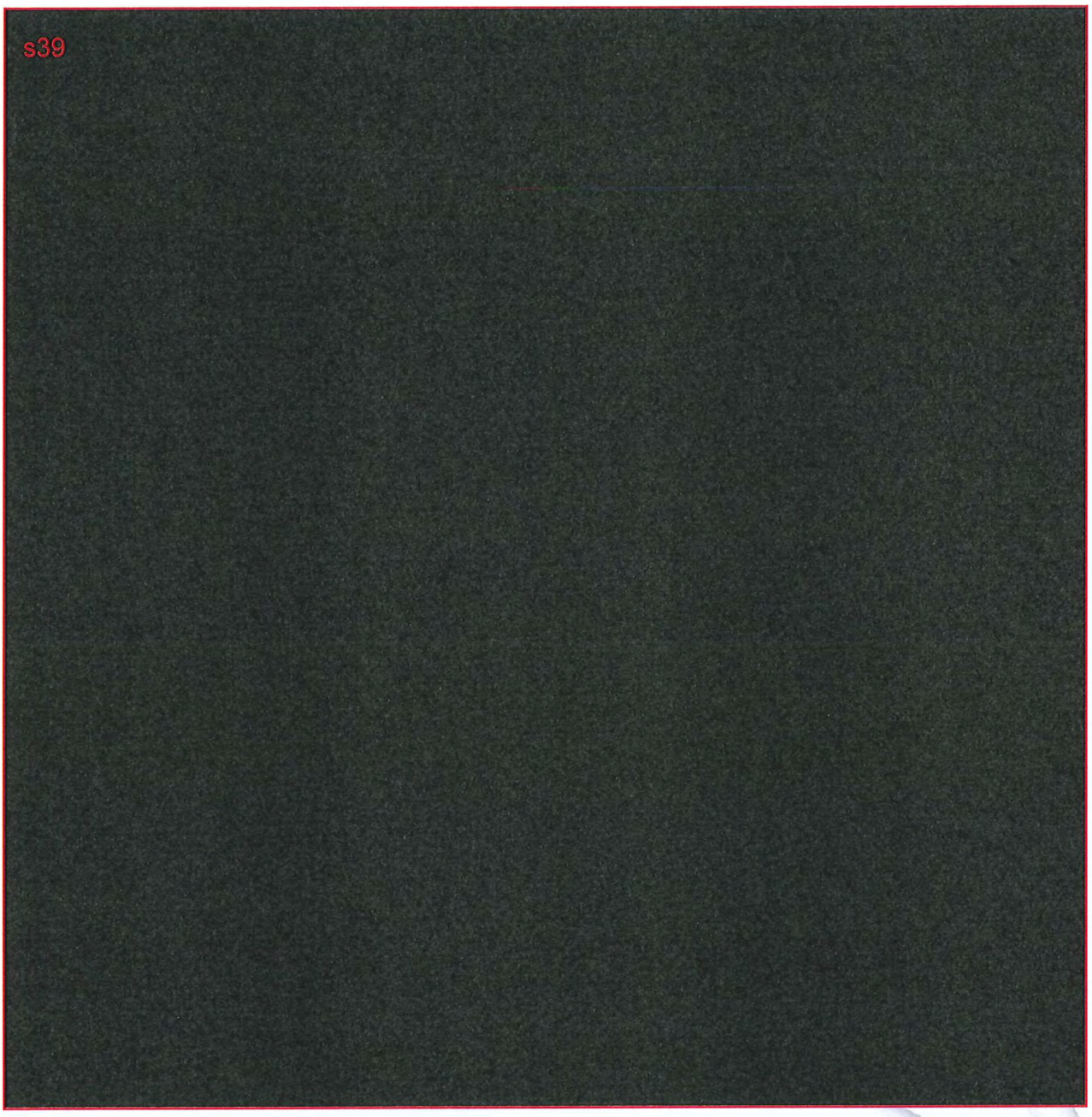

From: Smythe, Andrew
Sent: Thursday, 11 August 2022 3:48 PM
To:
Subject: RE: Business Case - Fuel Barge

Thanks – much appreciated

Also I have discussed the idea of facilitating a meeting with TasPorts with Jarred Moore and he thought this was a good idea. He will come back to me regarding who is best to attend form their end. Trust this is in line with our chat the other day

Regards

From:
Sent: Thursday, 11 August 2022 3:38 PM
To: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Cc: s 36 [redacted] @csiro.au>;
Subject: Business Case - Fuel Barge

Dear Andrew

Please find below details in relation to potential use of a fuel barge for RV Investigator (RVI), in support of the business case being developed by Tasmanian Department of State Growth.

- The type of fuel utilised to power the RVI is Marine Gas Oil – Low Sulphur (MGO)
- The fuel capacity of the RVI is 700m3 (Approx. **823,529** litres)
- The RVI takes bunkers both at the ports visited around Australia, as well as the Home Port of Hobart, when in Hobart, however, bunker amounts vary given the voyage the vessel is next tasked to operate. I.e., Voyage to the Southern Ocean may require > **450,000 litres,** however, capacity is subject to trim requirements, cargo loading, the specific gravity of the seawater in which the vessel is planned to be operated in
- She usually takes bunkers at each port call in a "top up fashion", for example, at the last port Brisbane, RVI took 300,000 litres of MGO (2 **x 150,000** litre barges)
- The vessels fuel endurance (range) is stated as sixty (**60**) days
- s 39 [redacted]
- The RVI currently takes bunkers at Self's Point, for her Bunker intake in Hobart
- S 38, S 39 [redacted]

If you have any further questions please feel free to reach out to me or S 36 [redacted]

Regards,

Director, National Collections and Marine Infrastructure
CSIRO Battery Point Site Leader

T | M S 36
E | www.csiro.au

CSIRO acknowledges the Traditional Owners of the lands on which we live and work across Australia, and pays its respect to Elders past and present.

From: s 36 @aad.gov.au>
Sent: Monday, 25 September 2023 4:59 PM
To: Smythe, Andrew
Cc: s 36
Subject: RE: Fuel Barge Discussions [SEC=OFFICIAL]
Attachments: Maritime Logistcs Response - State Growth Fuel Barge Review - Follow-up Questions (AAD).docx

Hi Andrew

Follow Up Questions response as requested.

Note that Q6 is very limited information wise, as we are informed those queries move into a commercial in confidence space, whereby AAD is contractually obligated to seek our fuel supplier's permission to share such information with 3rd parties. I would expect this may require a broader conversation than just seeking permission to disclose the requested information to State Growth, so probably anticipate some delay on these specific elements.

Otherwise, I think there is some useful information we have shared that should hopefully assist your team's progress in this regard.

Happy to chat beforehand if needed.

Cheers

s

s 36
S 36
Australian Antarctic Division
Department of Climate Change, Energy, the Environment and Water
203 Channel Highway, Kingston Tasmania 7050
Tel: s 36 | Mob: s 36 | antarctica.gov.au

The Department acknowledges the traditional owners of country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures and to their elders both past and present.

From: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Sent: Friday, 22 September 2023 4:52 PM

To: s 36 @aad.gov.au>
Subject: RE: Fuel Barge Discussions[SEC=OFFICIAL]

Sounds good – it was a quick call initiated by me mid-afternoon. Brett and I were keen to ensure we got the most out of the meeting and had something meaningful to share. s confirmed in progress and with Shipping

Lets catch up next week

Cheers

Andrew

From: s 36 @aad.gov.au>
Sent: Friday, 22 September 2023 4:45 PM
To: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Cc: s 36 @aad.gov.au>; Stewart, Brett <Brett.Stewart@stategrowth.tas.gov.au>; s 36 @stategrowth.tas.gov.au>
Subject: Re: Fuel Barge Discussions[SEC=OFFICIAL]

Hi Andrew

Out of scope

Should be all good - I have asked our Shipping people to come back to me with a response on the latest questions from s 36 by COB Monday which I was hoping would assist informing Wednesday's discussion.

Subject to that information being cleared through s 36 I'd hope to be able to flick it your way sometime Tuesday.

Cheers

> On 22 Sep 2023, at 4:34 pm, Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au> wrote:
>
> Good afternoon s 36
>
> Just a quick email regarding the information request sent to you last week (which we understand is being progressed) with respect to AAD's input for our draft report. After chatting with s earlier today around the potential for a broader agenda for next week's meeting between AAD and State Growth (Wednesday 27 September), we agreed that in the interest of being able to progress meaningful discussions (particularly around fuel provision), it would be good if we were able to incorporate AAD's updated information. AAD's wealth of knowledge in this space will be invaluable to inform our understanding of its needs and also focus discussions between AAD and State Growth moving forward.
>
> It would be much appreciated if you could let me know ahead of the meeting if this is possible, otherwise we can look to reschedule.
>
> I Look forward to discussing next week, have a good weekend.
>
> Regards

Andrew Smythe | General Manager – Strategy, Policy and Coordination
Resources, Strategy and Policy | Department of State Growth
4 Salamanca Place Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Mobile: s 36 [redacted]
www.stategrowth.tas.gov.au

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State Growth Fuel Barge Review

Australian Antarctic Division (AAD)

General

1. Would the AAD utilise a fuel barge within the Port of Hobart, should a service be provided by the state government? *Noting that this is not a question about financial considerations, only commentary on utilisation.*

Answer:

The AAD needs to take delivery of fuel oil for use by ships (including RSV Nuyina) and for transport to Australia's Antarctic Stations and Macquarie Island.

Following TasPorts decision that RSV *Nuyina* is not permitted to transit under the Tasman Bridge, the vessel is unable to take delivery of fuel oil from the facilities at Selfs Point. The current inability for the Port of Hobart to deliver fuel oil to RSV Nuyina imposing significant burden on the AAD.

RSV *Nuyina's* Home Port is the Port of Hobart. s 39 [redacted]

As you would appreciate, we are unable to confirm if the AAD would utilise the fuel barge service until the financial and contractual implications can be assessed. The AAD are bound by the Commonwealth Procurement Rules which requires a value for money assessment be made prior to committing public money.

2. When would AAD likely need to utilise a fuel barge? Year-round, seasonal, etc?

Answer:

AAD's shipping operations typically includes 4 resupply voyages to Australia's Antarctic Stations and Macquarie Island each operating season, during the period between October until April each year. The AAD is usually required to take fuel oil prior to each voyage. Additional voyages may be conducted either during or outside the typical seasonal windows detailed above, in support of marine science programs or voyages in support of other Australian government priorities/objectives.

As recently demonstrated, Nuyina also affords the Australian government with a greater medivac capability over the Australian winter period than it has previously had.

Hence there is potential that Nuyina would require year-round bunkering support.

Additional bunkers may be required to be loaded to the vessel to support any vessel lay-up periods, unless shore power is available to the vessel.

3. Are there any operational constraints you foresee (AAD or other), that inhibit the use of a fuel barge for refuelling your vessels?

Answer:

S 39 [redacted]

4. Do you have a preference about the barge specifications (self-propelled or dumb barge)?

Answer:

No

Fuel consumption

5. In your previous response to State Growth, AAD noted the quantities and types of fuel taken on board at Selfs Point by the *RSV Nuyina,* on a per visit basis.

   As you would appreciate, AAD's annual fuel consumption (based on previous discussions with the department) would suggest that without AAD's involvement, a fuel barge would likely only service a marginal number of vessels (both known and latent) and in very small quantities annually.

   With this in mind, is it possible to provide current information:

i. as to AAD's annual fuel consumption in Hobart (disaggregated by fuel type)?

ii. on any other fuel requirements AAD has (other than those for the *RSV Nuyina*) which the department does not have visibility on?

Answer:

Generally, each refuelling requirement includes:

- s 37 [redacted]

This would generally be required 3- 4 times per year at the minimum.

Contractual

6. State Growth understands from your previous response that AAD is currently contracted to procure fuel from BP.

   With this in mind, is it possible to understand:

   i. what is the length of the current contract?

   ii. when does this contract expire?

   iii. are there any set fees for amending this contract?

Answer:

i. Under confidentiality provisions, permission would need to be sought and received from BP Australia before this information can be released.

ii. Under confidentiality provisions, permission would need to be sought and received from BP Australia before this information can be released.

iii. Yes.

7. Are there any contractual constraints that would inhibit AAD utilising a fuel barge for refuelling? *For example, does the contract stipulate that AAD must either refuel at Selfs Point or via trucks?*

Answer:

s 37 [redacted]

[redacted]

A detailed review of the contract, along with consultation with BP, would need to occur before any other contractual considerations can be assessed.

AAD Response to Dept. of State Growth Questions – Fuel Barge for the Port of Hobart

Question	AAD Response
Generally, what are the main characteristics in a port that an Antarctic Program vessel/fleet looks for in regards to re-fuelling, other marine services and costs?	Wharf and shoreside infrastructure capable of supporting AAD operations in particular Antarctic resupply.
What fuels are taken onboard at Selfs Point and in what quantities when preparing for a voyage to the Antarctic with *RSV Nuyina*?	• s 37 [redacted]
From your knowledge, has *RSV Nuyina* introduced more complexities in taking onboard fuels at Selfs Point that *Aurora Australis*? If so, why?	No. Nuyina is designed to operate at and bunker bulk fuels at Selfs Point.
What is the overall cost (beyond) fuel costs) each time RSV Nuyina visits Selfs Point i.e. time, port fees, pilotage etc?	s 39 [redacted]
What quantities and type of fuel is generally loaded by RSV Nuyina on each occasion and how long does it take to load?	Types and quantities as per response to Question 2. Selfs Point quoted flow rates using the current pipeline infrastructure is 140,000L per hour. Hence AAD is restricted to receiving fuel at this rate. Nuyina can accept fuel at a much higher rate than this. 200,000Lph has been demonstrated by calculation, although it could be higher.
Strategy42South notes, in their earlier study on a fuel barge, that refuelling at Macquarie Wharf would be attractive. Has this position changed since the arrival of the RSV Nuyina?	The AAD would need greater visibility of the commercial and operational arrangements being proposed before being able to comment on this question.
What premium would be acceptable to the AAD to have fuel bought to the ship via barge?	It would not be appropriate for the AAD to comment at this stage on what may represent an acceptable premium for fuel delivery via barge, s 37 [redacted]
What prohibits fuelling Antarctic vessels via road tanker? Is it, for example, the available flow rate or type of fuel etc?	AAD has bunkered vessels via road tanker, but this can only be done at Macquarie 3 and 4 wharves due to deck load limitations on Macquarie 6 wharf. s 39 [redacted]

	Currently able to bunker up to 300T of fuel at a time via road tanker within the above limitations.
Is there any other relevant information in relation to the viability of a fuel barge in the port of Hobart that the AAD can provide to the project team?	Apart from requiring greater visibility of proposed commercial and operational arrangements, AAD would also be keen to understand redundancies being considered to cover off periods where fuel barge would be unavailable, particularly for unplanned events.

Document 9

From:
Sent: Wednesday, 27 September 2023 3:11 PM
To: Smythe, Andrew
Subject: RE: Introduction - . Andrew Smythe

You don't often get email from ceo@australiancruiseassociation.com. Learn why this is important

Thanks Phil for the introduction and hi Andrew.
I can confirm that Gavin Smith from Royal Caribbean International confirmed to The Premier earlier in the year that they would be very interested in taking on fuel in Hobart should the facility be available. The double up ship days in Sydney limit the physical time that fuel can be taken onboard, hence keen to discuss any other options.
Happy to discuss with you at any time and also provide contacts for other cruise lines that may be interested.

Regards

Chief Executive Officer
Australian Cruise Association
PO Box 1117, Sandy Bay, Tas, 7006
Tel: +61 3 62237334
Mob:

ACA Conference 4-6 September 2024, Adelaide.

From:
Sent: Wednesday, September 27, 2023 3:05 PM
To: : Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>; .
Subject: Introduction - . & Andrew Smythe

Hi Andrew

Quick e-introduction for you both:

– CEO of Australian Cruise Association
Andrew – GM – Strategy & Policy Dept. State Growth

As mentioned, Andrew I just want to ensure that the project team working on the fuel barge proposal were away that at least one of the major cruise lines has previously expressed interest to the Premier regarding acquiring fuel in Hobart if the opportunity was available.

Jill may have more information available if you require it.

Kind regards

Group Executive Commercial and Trade

03 6222 6109 |
@tasports.com.au
TasPorts | Level 6, Marine Board Building, 1 Franklin Wharf, Hobart, TAS, 7000

From: Smythe, Andrew
Sent: Thursday, 28 September 2023 11:59 AM
To: Office of the General Manager Strategy, Policy & Coordination
Cc: S 36 Antarctic
Subject: FW: Due 2 October: Content Manager DOCUMENT ATTACHMENT : MR23/2379/1 : TEMPLATE -DRAFT REPLY - Hon Rebecca White - Nuyina refueling
Attachments: TEMPLATE -DRAFT REPLY - Hon Rebecca White - Nuyina refueling.DOCX; TEMPLATE -DRAFT REPLY - Hon Rebecca White - Nuyina refueling.tr5; ANTARTIC - REQUEST FOR DRAFT REPLY - Hon Rebecca White - Nuyina refuelling - DUE DATE 2 OCTOBER 2023.tr5

Hi s 36

Approved and cleared through to Secretariat, requesting a copy be provided to Premier's Office FYI.

thanks

From: S 36 stategrowth.tas.gov.au>
Sent: Thursday, 28 September 2023 8:49 AM
To: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Cc: Office of the General Manager Strategy, Policy & Coordination <GMSPC@stategrowth.tas.gov.au>; Antarctic <antarctic@stategrowth.tas.gov.au>
Subject: Due 2 October: Content Manager DOCUMENT ATTACHMENT : MR23/2379/1 : TEMPLATE -DRAFT REPLY - Hon Rebecca White - Nuyina refueling

Hi Andrew,

We received a request for a draft reply for Minister Ferguson to Hon Rebecca White, due 2 October. Please find draft reply attached for your review.

Regards,

S

------< Content Manager Record Information >------

Record Number: Out of scope
Title: TEMPLATE -DRAFT REPLY - Hon Rebecca White - Nuyina refueling

Attachment 1

Deputy Premier
Treasurer
Minister for Infrastructure and Transport
Minister for Planning

Level 10, Executive Building, 15 Murray Street, Hobart
Public Buildings, 53 St John Street, Launceston
GPO Box 123, Hobart TAS 7001
Phone: (03) 6165 7701; Email: Michael.Ferguson@dpac.tas.gov.au

Tasmanian Government

Hon Rebecca White MP
Tasmanian Labor Leader
Member for Lyons
By email: rebecca.white@parliament.tas.gov.au

Dear Ms White

Thank you for your correspondence of 20 September 2023 regarding Hobart as an Antarctic gateway and refuelling of the Australian Government's polar icebreaking research and supply vessel, RSV *Nuyina*.

Tasmania's geographic location means that is one of a few places in the world that is a natural gateway to Antarctica and the Southern Ocean. The Antarctic sector is a strong contributor to the Tasmanian economy, and growing Hobart's reputation and importance as a globally recognised hub of Antarctic capability and excellence as an international gateway is a primary focus for the Tasmanian Government.

The Tasmanian Government is aware that TasPorts recently notified the Australian Antarctic Division (AAD) that it has not approved the transit of the RSV *Nuyina* under the Tasman Bridge for refuelling, following review by a panel of experts. Whilst this is a commercial matter for the Australian Government through the AAD, the Tasmanian Government is committed to providing assistance to facilitate solutions where possible.

Since 2022, the Department of State Growth has been undertaking a strategic review in respect to the prospect of a fuel barge for the Port of Hobart. Although the commencement of State Growth's work on the potential for a fuel barge predates the issues currently faced by the AAD for refuelling RSV *Nuyina*, the department understands the importance of providing safe and efficient refuelling solutions for all vessels visiting Hobart (including the RSV *Nuyina*) and the strategic review is aimed at helping to develop a refuelling solution to achieve this outcome.

The Tasmanian Government will continue to work with all key stakeholders to maintain and enhance the Tasmanian Antarctic gateway as a major contributor to Australia's national Antarctic capability.

Yours sincerely

Michael Ferguson MP
Deputy Premier
Minister for Infrastructure and Transport

Rebecca White MP

Tasmanian Labor Leader

Tasmanian Labor

Putting **people** first

Hon Michael Ferguson MP
Minister for Infrastructure and Transport
Via email: michael.ferguson@parliament.tas.gov.au

Dear Minister

With the recent decision by TasPorts to prevent the Nuyina from travelling under the Tasman Bridge to refuel, there has been concern raised about the impact of this decision on Hobart as the gateway to Antarctica.

Given the importance of this program to Tasmania and the need to provide certainty for the continuation of the port of Hobart as the pre-eminent gateway for Australia's engagement with Antarctica, I would appreciate an update on what steps the government is taking to rectify the issue of refuelling.

It has been put to me that a fuel barge could offer a suitable solution and provide a low risk refuelling option, transferring fuel by hose over a short distance from the fuel barge while it is moored alongside the Nuyina or other receiving ship and while spillage protection measures are in place.

Further value could be created by contracting the construction of a fuel barge in Tasmania, providing local employment opportunities in the barge's construction and operation.

I would be grateful for your consideration of these matters as well as your advice about how your government plans to support the Nuyina to refuel in Hobart so that it does not need to travel days to refuel; time that could be better used in undertaking those scientific activities the ship was designed to perform.

I look forward to your response.

Kind regards

Rebecca White MP
TASMANIAN LABOR LEADER
MEMBER FOR LYONS

20 September 2023

a: PO Box 493
SORELL TAS 7172
p: 03 6212 2225
e: rebecca.white@parliament.tas.gov.au
www.taslabor.com
www.becwhite.com

From:
Sent: Friday, 27 October 2023 9:35 AM
To: Smythe, Andrew;
Cc:
[redacted]
Subject: RE: AAD Unsolicited Proposal Oct 23

Thanks Andrew,
We look forward to hearing from you at your convenience.
Best regards

From: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Sent: Friday, 27 October 2023 9:32 AM
To:
Cc
[redacted]@stategrowth.tas.gov.au>
Subject: RE: AAD Unsolicited Proposal Oct 23

<EXTERNAL EMAIL>
Hi Stephen

Thank you for submitting the Unsolicited Proposal, we will review and be in contact as a matter of priority.

Kind regards

Andrew Smythe | Deputy Secretary (Acting)
Resources, Strategy and Policy | Department of State Growth
4 Salamanca Place Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Mobile: [redacted]
www.stategrowth.tas.gov.au

From: Duniam, Stephen J <Stephen.Duniam@vivaenergy.com.au>
Sent: Thursday, 26 October 2023 3:08 PM
To: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Cc:

Subject: RE: AAD Unsolicited Proposal Oct 23

Dear and Andrew,
Please find attached an Unsolicited Proposal for potential future supply of Polar and other grades of Marine fuels in Hobart by Barge. We believe this proposal provides a pathway for safe, efficient and reliable supply of specialty fuels to AAD and other marine customers in Hobart, without the need for vessels to transit the Tasman Bridge to access the fuel terminal at Selfs Point.
We would be delighted to have the opportunity to meet with you, and other key proponents at an appropriate time, if you feel the proposal has merit.

Given the lead time to procure and deploy a suitable barge we would suggest an initial meeting within November of this year if possible.

I look forward to hearing from you.

Yours sincerely

Head of Marine

E @vivaenergy.com.au

Viva Energy Australia Pty Ltd (ABN 46 004 610 459)
GPO Box 872, Melbourne VIC 3001, Australia
VIVAENERGY.COM.AU

Port of Hobart Fuel Supply Unsolicited Proposal

Viva Energy Australia Pty Ltd. Key Value Propositions and Supply Chain Overview

OCTOBER 2023

CONFIDENTIAL

VIVA Energy Australia

AUSTRALIAN ANTARCTIC PROGRAM

Artist: Dixon Patten, Baylia Creative, who is a Gunnai and Yorta Yorta man.

Acknowledgment of Country

Viva Energy Australia Pty Ltd acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

We particularly pay respect to the Traditional Custodians of the land, across the nation where we conduct business.

We also acknowledge our gratitude that we share this land today, our sorrow for the costs of that sharing and our hope and belief that we can move to a place of equity, justice and partnership together.

As an Australian company, we have operations stretching right across this vast continent. We recognise the importance of connecting to Australia's First Peoples.

In the spirit of reconciliation, we proudly launched our company's inaugural Reconciliation Action Plan (RAP) in November 2019.

This artwork, endorsed by Kulin elders, was commissioned by Viva Energy Australia Pty Ltd for our RAP, titled Wa-ngal yalinguth, yalingbu, yirramboi.

In Woi-wurrung language, Wa-ngal means you and me, Yalinguth means yesterday and Yalingbu means tomorrow.

Contents

Introduction

The recent decision by Tasports not to grant an exemption to the AAD icebreaker Nuyina to transit the Tasman Bridge in order to access the current fuel supply infrastructure at Self's Point, jeopardises the Port of Hobart's position as the home port for Nuyina.

Furthermore it puts at risk the Port's aspiration to become a major international hub for Antarctic operations, as well as attracting new Marine activity such as Cruising.

The safe, reliable and cost effective supply of bespoke Marine grade fuels is critical to the Port's positioning. The current lack of a workable marine bunkering capability could well result in the transfer of Nuyina's home port to another location. This would seriously undermine the Port's baseline revenue, impact its credentials as a viable Antarctic base for International operators as well materially impact overall fuel demand required to support investment in fuel storage and delivery capability.

This proposal is designed to address the current restrictions and risks facing the Port, and provide options that will help secure Hobart's position long term as the home base for Australian and International Antarctic operations, while provide bunkering capability to support the Port's aspiration to attract new customers and sectors to the Port such as Cruising.

Viva Energy believe that a consolidated and co-operative approach by the major proponents including AAD, Tasports, Serco and Tasmanian Government Department of State Growth to addressing the AAD's current Hobart fuel supply issues, will not only result in Hobart cementing its position as the Nuyina's home port, but will also have additional benefits in attracting new business to the port including from the International Polar and Cruise sectors.

Viva Energy Australia's' Melbourne barge bunkering the Spirit of Tasmania 1 in the Port of Melbourne Crane pedestal

Viva Energy Australia Pty Ltd
Safety is our number one priority

At Viva Energy Australia Pty Ltd, we believe every incident is preventable, and so our goal is to identify and address their causes. By doing so we aim to achieve "Goal Zero"- no harm to people or the environment.

We are proud of our record of continuous improvement, and with our focus on Goal Zero we can be depended on to keep people and the environment safe.

Our in-house team of Health, Safety, Security and Environment (HSSE) professionals lead the delivery of no harm to people and protection of our environment by working with the business to meet our organisation and regulatory obligations, create a positive reputation, effectively manage emerging issues, support best practices throughout the business and advocate for best business outcomes. Safety is our first priority and we will never compromise on Goal Zero.

GoalZero

Overview

The first section of our submission summarises what we believe are the most important considerations, including the key outcomes and leading issues our company evaluated, prior to forming our recommended pathway.

The second section of our submission highlights Viva Energy Australia Pty Ltd.'s proposed supply chain, including our key strategies and core competencies to meet what we believe are the key objectives of the major stakeholders. We welcome the opportunity to discuss this further with all the key proponents

The third section outlines our proposed timeline in order to execute our recommended solutions to meet the AAD's strategic and operational requirements by the contract commencement date.

Section 4 includes additional value opportunities, which go above and beyond the core features incorporated into our proposal. Should we be successful, our intention is to identify and deliver additional value throughout the term of the contract via a program of continuous improvement and innovation.

Section 5 includes case studies to highlight our relevant experience supplying bespoke marine fuel to industry. This includes the recent production of Special Antarctic Blend (SAB) at our Geelong refinery, which was subsequently delivered to Hobart, prior to being loaded on icebreakers for Antarctic supply.

Finally, the last section 6 of our submission provides a brief overview of our company.

As always, our response, approach and advice will continue to be developed as more information becomes available and we work with the AAD to best match solutions to your requirements.

We fully intend to work in close partnership with the AAD to collectively progress this exciting opportunity together.

Section 1
Important Considerations

Key Outcomes

Viva Energy Australia Pty Ltd has reviewed the purpose and objectives of the AAD and we believe the following key outcomes are fundamental to its operations. Any future supply chain should address these outcomes. We commit to working closely with AAD and other local partners in order to design and deliver an integrated fuel supply solution that best meets AAD's aims and goals, as well as enhancing the operational capability and competitiveness of the Port of Hobart.

Key Outcome 1
Security of supply and accessing bespoke product

The Antarctic supply chain relies on security of supply and access to fit for purpose and bespoke products, including SAB. Weather events, changes to planned operations or projects in Antarctica can have a significant impact on the AAD's fuel requirements. As such, a reliable, flexible and secure supply chain that can readily manufacture and deliver bespoke products on grade, on time and in the right location, is paramount for the AAD's operations.

s 37 [redacted]

s 37 [redacted]

Our refinery has proven capability manufacturing specialty grades; it is the only refinery across Australia and New Zealand that currently manufactures SAB. We also produce niche military grades such as F-44 (Avcat) and solvents to meet market requirements and developed a unique and bespoke fuel oil blend for consumption in the Torrens Power Station, after the South Australian blackout crisis of 2016, which resulted in widespread power outages.

Key Outcome 2

Reduced downtime and costs for the AAD, whilst ensuring safety is the number one priority

Due to the significant investment to procure and operate the RSV Nuyina, reduced downtime and costs will be paramount in order to extract maximum value from the icebreaker. We understand that the RSV Nuyina will also complete additional work, such as science research and humanitarian response work, when she has additional capacity. We also understand that whilst the RSV Nuyina is designed to complete cargo operations and bunkers within 3 days, these port movements in previous seasons on the Aurora Australis took up to 5 days to complete.

s 37

s 37

Given our strength and experience in developing marine and barge delivery solutions, we propose to leverage our relationship with key stakeholders such as TasPorts and the Tasmanian State Government, to deliver the AAD a dumb barge delivery solution. This delivery mechanism represents reduced downtime and costs to the AAD, whilst improving safety by removing the requirement to move the icebreaker to other ports for refueling and loading.

Key Outcome 3
Maximising local industry engagement and workforce

Sovereign capability and resilient fuel supply via an authentic Australian solution investing in Australian industry and security is key to ensuring long-term supply security for the AAD.

As noted above, Viva Energy Australia Pty Ltd proposes to employ local Tasmanian industries and workforces, not only during the construction phase, but during operations where skills and expertise align. We will leverage our relationship with TasPorts, the Tasmanian Government and local industry where applicable, to employ local workers and businesses.

Viva Energy Australia Pty Ltd has a significant existing network of suppliers, contractors and partners and on average, spend approximately $2B per annum across at least 5,000 suppliers and contractors. Our approach recognises and supports the vital role industry plays in developing sovereign capability and assisting Australia's economic recovery, by creating participation opportunities for Tasmanian industries in the delivery of each work and operations requirement.

We understand the significant and lasting socio-economic benefits our presence in a community can bring and the importance of local businesses being provided opportunities to participate in our supply chain.

We engage in supplier reviews to ensure we continue to engage the best available capability to accommodate any scope changes, review and test value for money outcomes, evaluate subcontractor performance, as well as identify any new capability as it enters the Australian market.

Furthermore, Viva Energy Australia Pty Ltd heads up an Australian focused team, preserving Australian interests first, without compromise or external influence. Our management team is based locally in Australia, and is best placed to make rapid decisions and engage proactively with senior Australian Antarctic Division personnel, as and when required.

Section 2
Solution

s 37

s 37

Self's Point terminals

In addition to tankage in Self's Point, we also operate the Devonport JT, which has a total of 14.7 ML of diesel storage. The Devonport terminal represents additional Diesel supply security and capacity, as product can be trucked from Devonport to Hobart if required.

Viva Energy Australia Pty Ltd/Ampol JT, Devonport

s 37

Section 3
Proposed Timeline

Section 4
Value Adds

Additional products and Services

Viva Energy Australia Pty Ltd has outlined value adds below, which go above and beyond the opportunities incorporated into our proposal. Our intention is to continue building a program of innovation through this procurement activity, should we be successful.

In collaboration with the AAD, if successful, Viva Energy Australia Pty Ltd will continue to explore value add opportunities in a dynamic manner, so that we continue to deliver value together, rather than delivering to a static contract.

The presence of a barge for fuel bunkers in the Port of Hobart opens up a realm of exciting opportunities for the region. With a dedicated facility for refueling vessels, the port becomes a strategic hub for maritime traffic. This not only ensures that ships can easily access the fuel they need for their journeys but also boosts the maritime industry's overall efficiency. Beyond the immediate benefits of smoother refueling operations, the Port of Hobarts newfound role as a bunkering center can drive economic growth. It attracts shipping companies, Cruise industry, maritime service providers, and related businesses, leading to the establishment of support services, maintenance facilities, and potentially even research and development in sustainable maritime energy solutions. This, in turn, creates jobs and fosters innovation, positioning Hobart as a competitive player in the global maritime sector while contributing to the region's economic vitality

Viva Energy Australia Pty Ltd is committed to improving day-to-day operations and processes, as well as driving value led opportunities. We strongly believe that by adding value above and beyond the initial AAD requirements, we can align with the AAD's strategic vision of delivering an efficient and professionally operated and maintained fuel supply chain supporting the needs of Antarctic operations.

There is an opportunity for the AAD to leverage Viva Energy Australia Pty Ltd.'s additional services and expertise including:

- Shell lubricant products.
- Marine and fuel/lubricant technical support.
- Fuel testing and Product Quality services.
- Drummed fuels.
- Vetting of bunkering procedures and safety protocols.

The introduction of a barge for fuel bunkers in the Port of Hobart not only promises expanded opportunities but also has the potential to catalyse development. s 37 [redacted]

These opportunities encompass economic growth, job creation, and innovative sustainability solutions, all of which are pivotal for Tasmania's development. We would welcome the opportunity to discuss further or share your thoughts, and we can delve deeper into the exciting prospects that lie ahead.

Section 5
Case Studies

Case Study 1

2019 Viva Energy Australia Pty Ltd Fuel Oil Supply to Torrens Island – Responding to a crisis

In 2017, after the South Australian blackout crisis of 2016, resulting in widespread power outages, Viva Energy Australia Pty Ltd developed and supplied a bespoke grade of Fuel Oil to AGL at Torrens Island Power Station.

AGL approached industry for the supply of fuel oil as backup fuel supply for their power station, so that they had a contingency plan in place, to supplement their gas-fired facility. This was the first time they had implemented this solution, in response to the widespread power outages the year prior. Other industry players offered standard Fuel Oil 180, however, Viva Energy Australia Pty Ltd were successful in supplying the fuel, due to our innovative solution and supply chain response to our customer's requirements, ensuring they would prevent a future crisis from reoccurring.

We designed a new product, specific to their requirements whereby viscosity, density and pour point specifications were modified, in order to meet operability and flow requirements, specific to the power station equipment.

Our in house laboratory and technical experts completed bench blends prior to the final product being produced, in order to prove the blend would be on specification and meet the bespoke properties required for the power station. Furthermore, prior to loading on the vessel, the shore tank was certified and post load sampling and testing was also completed, ensuring the loaded product met all quality requirements.

Whilst other tenderers offered a trucking solution from Port Kembla, which would have taken more than 1 month to complete and would have been cost prohibitive for staffing requirements on site, Viva Energy Australia Pty Ltd were able to implement a shipping solution. The bespoke 5KT Fuel Oil blend was shipped from the Geelong Refinery to Adelaide, then hot pumped and delivered to site by 3 Toll trucks delivering 24/7 over 5 days.

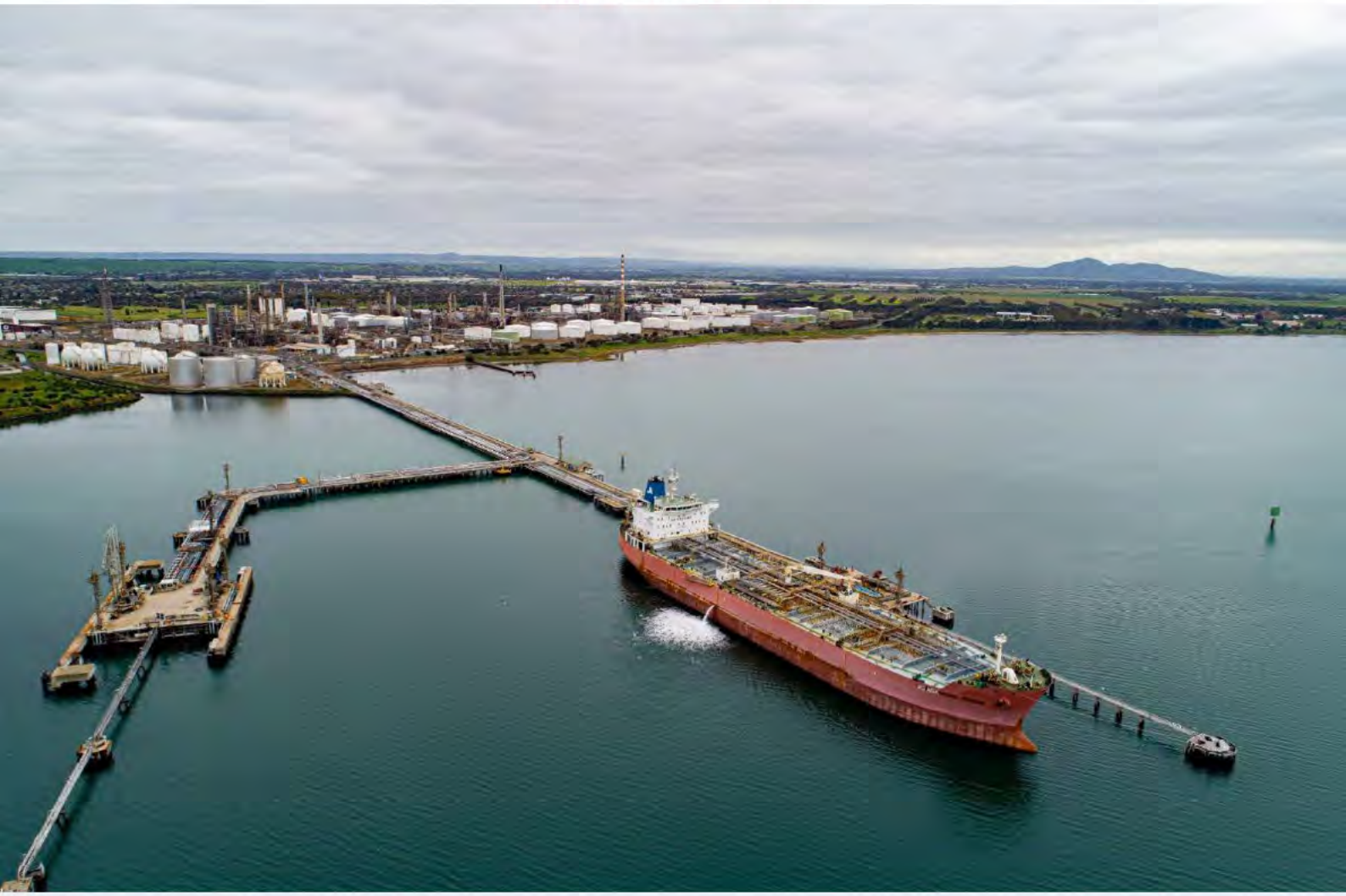
As a main grade fuel vessel required the main fuels berth in Adelaide to ensure supply of diesel and gasoline, we needed to find a solution to use a secondary bunkering wharf. The bunkering wharf had recently undergone modifications and this was the first delivery to use the wharf since the project was completed.

By working with Flinders Ports, we determined that we would need to reconfigure the terminals pipework and needed to find a small vessel that would safely fit on the berth. The innovative solution was to reconfigure a bitumen vessel, which required diesel flushing to remove any residual bitumen, prior to loading the Fuel Oil, thereby avoiding any contamination issues. Additionally, the vessel tanks required air-cooling, to ensure they were not too hot.

Our Supply Technical Team developed the procedure, which ensured strict controls were followed. Additional considerations included rapid assurance of Marine operations in Adelaide including berth fit, the ability to tie up the vessel safely and the requirement for oil spill response equipment and pipeline and hoses that met industry standard requirements. Our Marine Technical expert went to the site prior to the operations occurring, in order to determine the exact requirements needed to complete the operation safely and he also attended the ship discharge, ensuring expert oversight was in place.

Additionally, we worked with our hired carrier partner, Toll, to convert truck barrels back to Diesel after transporting the Fuel Oil product to site. This is not a standard operation, but our longstanding relationship and the collaboration between our teams resulted in a successful outcome, whereby Toll wanted to work with us, to find an innovative solution to prevent a future crisis from occurring in South Australia.

Hence, Viva Energy Australia Pty Ltd.'s capability and experience allowed us to find a bespoke solution to respond to AGL's requirements at short notice. In comparison to other industry participants, our solution reduced the operational impact to the power station, so that AGL had the fuel where they needed it when they needed it, in order to prevent future blackouts from occurring and maintain continuous supply of electricity to customers in South Australia.



Case Study 2
Geelong supply to BP

In September 2018, Viva Energy Australia Pty Ltd was requested by the current AAD supplier to produce SAB, ex our Geelong refinery, delivered via ship to Hobart for consumption during the 2018/19 Antarctic season

We promptly produced 3.4KT of SAB, which was subsequently delivered across 3 vessels, as required, into Hobart in early November to mid-December.

At this time, Viva Energy Australia Pty Ltd was also the sole supplier of main grade fuels into Hobart and Devonport, resulting in flexibility in our shipping program. Given the prompt timeline, the Geelong Refinery process engineers and schedulers worked collaboratively to determine the most optimal process for producing the product on grade and on time, via our solvents plant, which regularly produces niche grades including chemicals and has completed additional trial runs for military grades such as F-44 (Avcat).

The product was delivered on specification, in the correct location and on time, allowing the icebreakers to seamlessly complete their summer schedule as planned, without disruption.

Geelong refinery's ability to produce this bespoke grade, our commitment to supplying the Antarctic program and Tasmania and our supply agility were highlighted throughout this process.

One of Viva Energy's jointly owned barges refueling a cruise ship on Sydney Harbour.

For more information, please contact:

Sales Manager Marine

(M)

From: s 36 @aad.gov.au>
Sent: Wednesday, 8 November 2023 12:52 PM
To: Smythe, Andrew
Cc: S 36 Stewart, Brett
Subject: RE: Facilitation of refuelling solution NSV Nuyina [SEC=OFFICIAL]

Many thanks Andrew

Look forward to seeing you then.

Cheers

s

From: Smythe, Andrew <Andrew.Smythe@stategrowth.tas.gov.au>
Sent: Wednesday, 8 November 2023 11:15 AM
To: s 36 @aad.gov.au>
Cc: s 36 @stategrowth.tas.gov.au>; Stewart, Brett <Brett.Stewart@stategrowth.tas.gov.au>
Subject: Facilitation of refuelling solution NSV Nuyina [SEC=OFFICIAL]

Hi s 36

Further to our conversation earlier this week regarding status of the Government's considerations regarding facilitation of a refuelling solution for the NSV *Nuyina* and more broadly other users of the Hobart Port.

I can confirm that the consultant engaged by the Department of State Growth to provide advice on a potential fuel barge solution for the Port of Hobart has delivered its report and that this report will form the basis of advice through to the Premier as a matter of priority. The Department has also prepared a draft reply to Minister Plibersek's letter of 9 October for the Premier's consideration.

As discussed, VIVA Energy Australia has prepared an Unsolicited Proposal regarding fuel supply for the Port of Hobart. This was sent to AAD and the Department for consideration. We have yet to engage with VIVA in relation to this, but we plan to incorporate it into our advice through to the Premier. I attach a copy for convenience.

I have accepted the invitation for a meet and greet meeting at AAD this Friday and have invited s 36 and s 36 from my area should they be available.

I look forward to catching up then

Regards

Andrew Smythe | General Manager – Strategy, Policy and Coordination
Resources, Strategy and Policy | Department of State Growth
4 Salamanca Place Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Mobile: S 36
www.stategrowth.tas.gov.au

From: S 36
Sent: Wednesday, 14 September 2022 11:31 AM
To: S 36
Cc: S 36
Subject: RE: 16 August meeting follow up: Fuel barge for the Port of Hobart
Attachments: RRP project summary_Antarctic Precinct_fuel barge.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Hi S 36

Thanks for the update and advice!

I've attached a copy of the Viva RRP proposal just in case you didn't have a copy squirreled away somewhere.

Kind regards,
S 36

From: s 36 @tasports.com.au>
Sent: Tuesday, 13 September 2022 5:09 PM
To: s 36 @stategrowth.tas.gov.au>; s 36 @tasports.com.au>
Cc: s 36 @stategrowth.tas.gov.au>
Subject: RE: 16 August meeting follow up: Fuel barge for the Port of Hobart

Hi S 36

On a Regulatory and Marine side below are a collection of thoughts for consideration:

1. Lay-up location of the barge, or tug/barge combination when not in use.
    a. The Crowley tug and barge are indicated as follows dimensions
        i. Barge LOA: 350 ft – 106.68m; Beam: 88 ft – 26.84m; Draft: 17ft 6in – 5.34m, Capacity 9,011 m3.
        ii. Tug LOA: 106 ft – 32.33; Beam: 46 ft – 14.03m; Draft: 11 ft 9 in – 3.58m

    Berthing location/s for the tug/ barge will need consideration, and likely require the shuffling of both the tug and barge between locations. Options for the barge could include: Selfs Point Oil Wharf, Princes 2-3, Princes 4, Macquarie Wharves subject to assessment and various approvals.
    b. Alternate locations could include anchorage within the Port Limits of Zone A or Zone C, or establishing some appropriately engineered pile moorings for the barge to tie up to.

2. Lay-up requirements
    a. Determine of appropriate lay-up arrangements for the barge, such as
        i. Monitoring of vessels mooring integrity
        ii. Monitoring vessels stability
        iii. Monitoring of vessel security
        iv. Based on the intended cargoes of the barge – flammable or non-flammable cargoes – how those cargo spaces are safely maintained. The potential for venting flammable gases within a port environment. This may affect lay up location.
        v. Availability of crew and tug to respond to barge – minimum notification/ where crew resident

3. Pilotage requirements

a. Pilotage is required for vessels exceeding 35m in length overall within the Port of Hobart.
b. Pilotage Exemption Certificates for transit through the Tasman Bridge are determined by MAST per ***Marine and Safety (Pilotage and Navigation) Regulations 2017, s 18(3)***. In discussion with Toby Greenlees from MAST Toby has indicated MAST would be unlikely to grant PEC for fuel barge operations through the Tasman Bridge noting vessel size, limited frequency of operation through the Bridge, and the product being carried.
c. Pilot resourcing to facilitate tug/ barge movements.

4. Suitability of tugs for transiting the Tasman Barge with barge. Suitability of alternate tugs for shifting the barge.

5. Any applicable requirements under ***AS3846 The handling and transport of dangerous cargoes in port areas***

6. Ship to Ship transfer arrangements
    a. Assessing what oversight TasPorts wishes to have over these operations. Suitable persons to undertake that role.
    b. Suitable fendering for STS operations
    c. Environmental parameters for STS operations
    d. Availability of towage when barge is alongside vessel

7. Movements restricted by Tasman Bridge due to:
    a. Bridge Curfew
    b. Environmental parameters – Wind/ Current/ Fog
    c. Scheduled shipping movements
    d. Resource availability

8. Monitoring of barge – AIS permanently fitted and transmitting when not accompanied by tug transmitting on AIS

9. Pollution response capacity within the port

10. Appropriate insurances in place

11. How the loading of the barge will be undertaken, any approvals or oversight required
    a. Back loading at Selfs Point
    b. Ship to ship transfer

12. Port Charges including berthing, pilotage, tugs, layup charges

13. Appropriate Risk Assessment of operations by proponents

In regard to VIVAs application to the Regional Recovery Partnerships program – I am chasing down this information and will share what I can with you when available.

In the meantime, feel free to reach out if you would like to discuss further.

Kind Regards,

S 36 [redacted]

Tasmanian Ports Corporation
T S 36 [redacted] | **M** S 36 [redacted] | **E** s 36 [redacted]@tasports.com.au | www.tasports.com.au

Port Tower, Hunter Street, Hobart TAS 7000 | GPO Box 202, Hobart 7001

From: s 36 @stategrowth.tas.gov.au>
Sent: Tuesday, 13 September 2022 4:53 PM
To: s 36 @tasports.com.au>
Cc: s 36 @stategrowth.tas.gov.au>; s 36 @tasports.com.au>
Subject: RE: 16 August meeting follow up: Fuel barge for the Port of Hobart

Hi S 36

Thanks for the update below.

Are you able to provide a more specific estimate of when we might expect to receive this advice? We are mapping out our next moves on this project and an approximate ETA would be of assistance.

Happy to discuss!

Kind regards,
S 36

S 36
Strategy, Policy and Coordination Branch | Department of State Growth
Level 6, 4 Salamanca Place, Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Ph: S 36 | E: S 36
www.stategrowth.tas.gov.au

Courage to make a difference through
TEAMWORK | INTEGRITY | RESPECT | EXCELLENCE

In recognition of the deep history and culture of this island, I acknowledge and pay my respects to all Tasmanian Aboriginal people; the past, and present custodians of the Land.

From: s 36 @tasports.com.au>
Sent: Friday, 2 September 2022 3:37 PM
To: s 36 @stategrowth.tas.gov.au>
Cc: s 36 @stategrowth.tas.gov.au>; s 36 @tasports.com.au>
Subject: Re: 16 August meeting follow up: Fuel barge for the Port of Hobart

Hi [redacted]

Yes received thank you. I've discussed with [redacted] and she was working with the Marine and Harbour Master teams on identifying key issues.

Bringing a new operation and vessel such as this into a city port is a complex challenge, so I would expect it will take them a few weeks to consider and discuss with all relevant parties.

Regards,
[redacted]

[redacted]

Tasmanian Ports Corporation
T [redacted] | M [redacted] | E [redacted]@tasports.com.au | www.tasports.com.au

Level 5, Marine Board Building, 1 Franklin Wharf, Hobart TAS 7000 | GPO Box 202, Hobart 7001

On 2 Sep 2022, at 3:34 pm, [redacted]@stategrowth.tas.gov.au> wrote:

Hi [redacted]

Just checking in to confirm you received this information and you had no follow up questions.

Kind regards,
[redacted]

From: [redacted]
Sent: Tuesday, 23 August 2022 4:42 PM
To: [redacted]@tasports.com.au
Cc: [redacted]@stategrowth.tas.gov.au>
Subject: 16 August meeting follow up: Fuel barge for the Port of Hobart

Hi [redacted]

Thank you (and [redacted]) for meeting with us last week to answer our preliminary questions about a fuel barge for the Port of Hobart.

As discussed, please find attached the spec sheet for the Crowley fuel barge, to assist TasPorts in undertaking a 'red flag review'.

I contacted Viva Energy to try to get some more information on what they had originally proposed to use, to use as a comparison to the Crowley barge. They couldn't give me a lot of detail, as they said if their proposal eventuated they would build a barge especially for the Port, taking into consideration capacity requirements and required dimensions for transiting under the bridge.
S 39 [redacted]

Viva also mentioned that as part of their application to the Regional Recovery Partnerships program, TasPorts had already ran some 'simulations' for them to test the feasibility of their proposal. If TasPorts has any further details on this that they are able to share with us, that would be very helpful, however I understand if this is not possible.

And finally, apologies for the delay in sending this follow-up email after our meeting. If you need to chat to refresh your memory re what we discussed please do not hesitate to give me a call!

Kind regards,
S 36

S 36 [redacted]
Strategy, Policy and Coordination Branch | Department of State Growth
Level 6, 4 Salamanca Place, Hobart TAS 7000 | GPO Box 536, Hobart TAS 7001
Ph: S 36 [redacted] | E: s 36 [redacted] stategrowth.tas.gov.au
www.stategrowth.tas.gov.au

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Australian Government
Department of Infrastructure, Transport, Regional Development and Communications

Regional Recovery Partnerships - Project Proposal Outline

Project proposals to be discussed between Partner Governments

December 2020

Date	9/07/21	**Fuel Barge for Hobart**
Cmth ref.		
State ref.		

State / Jurisdiction	Tasmania
Partnerships Region	Tasmania

A. Project Details

Project Partners

Co-leads	Viva Energy Australia
Possible partners	

Project Summary

1) This project will:

Viva Energy is assessing the feasibility of deploying a fuel barge to service the marine industry in Hobart. The fuel barge aims to improve the refuelling capability in Hobart across key sectors such as the Antarctic and Cruise. At present there is no marine fuelling capability in Hobart other than the fuel berth at Self's Point which requires a transit under the Tasman Bridge. Transits have a size limitation and therefore large vessels requiring fuel in Tasmania cannot bunker in Hobart. A fuel barge would enable refuelling at the Macquarie wharf precinct downstream. Fuel is a critical product and service to these sectors and if adequate facilities are not available, these vessels deviate to ports outside of Australia to source fuel, resulting in a missed economic opportunity for Australia and specifically Hobart. The economic value to Hobart on the arrival of these vessels include income generated from services such as cargo operations, stevedoring, logistics and tourism. A fuel barge in Hobart would also provide local employment opportunities for potential construction and ongoing operation and maintenance of the fuel barge. In the construction phase the project would secure two FTEs in southern Tasmania, and during the ongoing operational phase two FTEs in existing companies. However, the most significant employment impact will be in the flow on effect of attracting extra port calls from vessels, and the flow on effects on the maritime services industry, including the port and logistics and tourism services.

2) The key project outputs and planned milestones will be/are:

a. Secure the Australian Antarctic Division as a foundation customer for the fuel barge, including the commencement of fuel supply
b. Identify a suitable fuel barge which may involve construction of a new barge, or purchase and modification of existing
c. Securing local labour force to operate and maintain the fuel barge
d. Deploy fuel barge to Hobart
e. In conjunction with relevant state departments identify additional customers sectors such as international polar programs and cruise customers

3) This project will have the following benefits for regional economic development and national resilience:

- Attracting new industries such as Cruise vessels and international polar programs and cementing Hobart's position as a leading international Antarctic Gateway, including Antarctic expedition vessels
- Revenue generated to local industries such as stevedoring, towage, ports, logistics and tourism through increased vessel movements into Hobart
- Employment for potential construction of the fuel barge
- Local employment for operating and maintaining the fuel barge
- Fuel security for national agencies such as AAD, Defence, Border Force and CSIRO
- Mitigating safety risks of large vessels sailing under the Tasman Bridge

4) The project demonstrates alignment with the following regional economic development or COVID recovery plans and priorities. *(Please reference relevant regional plans)*

The project aligns with the Tasmanian Antarctic Gateway Strategy which sets out the Tasmanian government's goals and actions for growing the economic benefits and jobs associated with the Antarctic and Southern Ocean sector. https://www.antarctic.tas.gov.au/strategy

The project aligns with the recommendations of the Premier's Economic and Social Recovery Advisory Council (PESRAC) relating to creating new economic opportunities and investment as part of Tasmania's future economic growth. https://www.pesrac.tas.gov.au/reports

Planned Implementation

5) The expected commencement, completion and other key milestones for the project are:

- Deployment of a fuel barge is anticipated to be in 4Q 2022, in readiness for the 2022/23 Antarctic expedition programs.

6) The project will be delivered through the following mechanisms... *(procurement, etc)*

Viva Energy's procurement power and experience in acquiring fuel barges will drive total cost of ownership down whilst delivery a fit for purpose solution.

s 39

7) Governance arrangements in place/proposed for the project include:

Project management and governance will be provided by the proponent, Viva Energy Australia, utilising the organisation's integrated investment and project delivery framework. The Project Delivery Manual progresses projects through six

distinct phases managed and supported by processes, tools, guidelines and delivery resources (internal and external). Overall project governance is managed by the project Stage Gate Committee in accordance with the framework's decision gate model and the organisation's Manual of Authorities. The following summarises the model:

s 39

8) The project will be/has been developed in consultation with:

The Australian Antarctic Division, TasPorts, Serco, State Gov, AMSA

9) Who are the key delivery stakeholders? How will these stakeholders be engaged?

The Australian Antarctic Division, TasPorts, Serco, State Gov, AMSA

B. Financial Information

Indicative Project Cost

10) The total indicative cost to the Commonwealth will be $XAUD

S 38

11) Contributions for the project will be valued at $XAUD Has this been agreed to by state and/or local government

s 39

12) The total cost of the project is: *Please provide a brief breakdown of funding by contributing party and time.*

s 39

On costs, costs and assets

13) Any assets created by the project are ....

Fuel Barge

14) After completion, they will be owned by ...

Viva Energy Australia

15) Any ongoing operational costs for the project or assets will be ...

Ongoing operational costs would be associated to operating and maintaining the fuel barge. This is estimated to be s 39 p.a.

16) They will be funded by ....

Viva Energy Australia

Value for money

17) This project represents value for money for all parties because...

- A fuel barge provides flexible and efficient refuelling, attracting international polar programs, and cruise vessels into Hobart
- A fuel barge will carry and facilitate product sales from Viva Energy's Geelong Refinery, one of only two operating Refineries in Australia
- Domestic fuel barge operations will require know how and operations expertise from Australian Seafarers, promoting ongoing local employment
- A fuel barge can be deployed to other Australian ports as required to improve economic value (for instance outside of Antarctic or Cruise seasons)
- Viva Energy has demonstrated experience deploying fuel barges in key markets such as Melbourne/Geelong and Sydney Harbour

18) To assess value for money the Proposing Government has ... *(The Commonwealth will use this information to ensure compliance with the Public Governance, Performance and Accountability Act 2013 and the Commonwealth Procurement Rules 20 April 2019).*

The Tasmanian government has previously investigated the requirements for a fuel barge to service Antarctic vessels. With the arrival of the new Australian icebreaker RSV Nuyina and the associated greater demand for special Antarctic fuels, the need for a barge has moved back into focus. With the arrival of the new icebreaker, the barge would provide substantial efficiencies by reducing time in port for vessels, thereby reducing ongoing shipping costs in terms of time and service fees. It would also reduce or eliminate the need for transits under the Tasman Bridge, thereby reducing the corporate risk for TasPorts substantially. A fuel barge would make Hobart more attractive for visiting Antarctic vessels and lead to increased port calls. Each port call is valued at up to $1.5 million to the local economy. The fuel barge would be a strategic asset for the port of Hobart.

C. Legislative requirements

19) List Commonwealth or State legislation triggered by the Project (if applicable).

N/A

20) Does the *Building Code 2016* apply to this Project? Y If YES, please confirm compliance.

NO

21) Does the *Australian Government Building and Construction WHS Accreditation Scheme* apply to this Project? N If YES, please confirm compliance

NO

Note: If the Project is located in an area with a high Indigenous working age population (more than 10 per cent of the total local working age population), the Commonwealth will need to ensure the project has an Indigenous Participation Plan may be required.

Contact information			
	Name	Organisation	Contact Details
Lead contact		Viva Energy Australia	Ph
Clearing Officer			