

Economic opportunities

- 6.1 The *Australian Antarctic Strategy and 20 Year Action Plan* outlines that one of Australia's national interests in Antarctica is to 'foster economic opportunities arising from Antarctica and the Southern Ocean, consistent with Australia's Antarctic Treaty System (ATS) obligations, including the ban on mining and oil drilling.'¹ These opportunities, with respect to the so-called 'blue economy'² in the Southern Ocean and Antarctica, can enable Australia to promote its significant role in Antarctica, both domestically and overseas. As such, it is important that Australia emphasise its scientific, international engagement and economic achievements relating to Antarctica.
- 6.2 The economic benefits of scientific activity, such as international education and commercialisation of research, are considered in chapter 5. This chapter examines the evidence to the Committee regarding the other economic benefits of Antarctic activity, including what roles there might be for relevant governments. It appraises the growing role of Hobart as an Antarctic gateway and looks at ways to improve the city's international competitiveness. Lastly, the development of Antarctic-related tourism and improved public outreach are considered.

1 Department of the Environment and Energy, *Australian Antarctic Strategy and 20 Year Action Plan*, 2016, p. 17.

2 Dr Jeffrey McGee, Senior Lecturer in Climate Change, Marine and Antarctic Law, Institute for Marine and Antarctic Studies (IMAS) and Faculty of Law, University of Tasmania, *Committee Hansard*, Hobart, 10 November 2017, p. 35.

Roles for government

- 6.3 The nature of the ATS requires that governments play an increasingly important role in developing an Antarctic presence through provision of infrastructure or the funding of scientific research. This, as described earlier in this report, is largely due to the otherwise prohibitive costs and the national-level diplomatic and scientific engagement required to maintain a presence on the continent. As such, this section considers the role of both Commonwealth and Tasmanian Governments.

Australian Government

- 6.4 The Australian Government, through the federal Department of the Environment and Energy's Australian Antarctic Division (AAD), is one of the key drivers of Australia's Antarctic activity and engagement. Its work is complemented by other Commonwealth-level agencies including the Department of Defence, Department of Foreign Affairs and Trade, Geoscience Australia, the Australian Maritime Safety Authority and Bureau of Meteorology amongst others.
- 6.5 The Australian Government's *Australian Antarctic Strategy and 20 Year Action Plan* recognises Tasmania's significant and growing contribution to the Antarctic sector, with many aspects of the plan geared towards increasing the sector's presence in the state. The Department of the Environment and Energy quantified the scope of the Antarctic sector in Tasmania, noting that:

The Antarctic sector is a major contributor to the Tasmanian economy and is a key component of the state's long term, economic growth potential. In 2011-12, the sector contributed \$442 million to Tasmania's economy and it was estimated that 1,185 people were employed in the sector.³

- 6.6 In Tasmania, Australian Government investment accounts for some 75 per cent of the Antarctic sector's contribution to the local economy.⁴ The AAD is a significant contributor to this activity. The Department of the Environment and Energy submitted to the Committee that:

... the Government is committed to further enhancing Tasmania as the leading international Antarctic research hub and logistics

3 Department of the Environment and Energy, *Submission 13*, p. 16.

4 Mrs Lara Hendriks, Acting General Manager, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 12.

Gateway for East Antarctica. This includes delivering associated infrastructure in Tasmania to maximise the efficient and effective use of the new icebreaker. The Government has already committed \$38 million over three years from 2014-15 for the Hobart Airport Runway Extension.⁵

Hobart City Deal

- 6.7 The Australian Government's *Smart Cities Plan* outlines a broad policy framework to help Australian cities to grow. One of the key aspects of the plan is the implementation of a series of 'City Deals', which bring together federal, state and local governments to 'align the planning, investment and governance necessary to accelerate growth and job creation, stimulate urban renewal and drive economic reforms'.⁶
- 6.8 In January 2018, the Commonwealth and Tasmanian Governments entered into a memorandum of understanding to develop a City Deal in conjunction with local governments in Hobart. In particular, Hobart's City Deal will consider a range of opportunities to:
- cement Hobart's position as the gateway to East Antarctica and a world leader in Antarctic and Southern Ocean scientific research;
 - build stronger partnerships between governments to promote coordinated strategic planning outcomes and service delivery;
 - a coordinated approach to transport planning including assessing the feasibility of future public transport options;
 - support innovation and build capabilities in science, technology, engineering and mathematics (STEM) disciplines;
 - support affordable housing, improved amenity and residential options; and
 - provide a catalyst for private sector investment and urban renewal opportunities at strategic inner city sites.
- 6.9 In its submission to the inquiry, the Department of the Environment and Energy told the Committee that the Hobart City Deal and Hobart's proposed Macquarie Point development 'both offer interesting opportunities to increase the visible presence of Antarctic affairs in

5 Department of the Environment and Energy, *Submission 13*, p. 15.

6 Department of Infrastructure, Regional Development and Cities, 'City Deals', <<https://cities.infrastructure.gov.au/city-deals>>, viewed 8 April 2018.

Hobart.⁷ The Tasmanian Government suggested that these opportunities included the development of the science and Antarctic workforce with a particular focus on 'STEM initiatives in Hobart' as part of the City Deal.⁸

Tasmanian Government

- 6.10 The Committee heard that since 1981, the Tasmanian Government has worked closely with its federal counterparts to develop the state's Antarctic sector.⁹ Its work involves working with federal bodies such as the AAD, Austrade and the Department of Foreign Affairs and Trade.¹⁰ The Tasmanian Government submitted that it supports joint initiatives with the Australian Government such as the Integrated Marine Observing System, which provides a wide range of data 'accessible to the marine and climate science community, other stakeholders and users, and international collaborators.'¹¹ It will also work with the Australian Government to develop a Centre for Antarctic, Remote and Maritime Medicine.¹²
- 6.11 During the course of the Committee's inquiry, the Tasmanian Government also released its Tasmanian Antarctic Gateway Strategy,¹³ which is complementary to the Australian Government's own strategy. The strategy outlines the Tasmanian Government's vision as being:
- ... for Tasmania to be the world's Antarctic gateway of choice that delivers economic growth and increasing opportunity for our community and supports a strong and vibrant Antarctic and Southern Ocean sector.¹⁴

7 Department of the Environment and Energy, *Submission 13*, p. 15.

8 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 14.

9 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 12.

10 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 13.

11 Australian Government, Integrated Marine Observing System, 'What is IMOS' <<http://imos.org.au/about/>> viewed 8 April 2018.

12 Ms Rees, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, pp. 17-18.

13 Tasmanian Department of State Growth *Tasmanian Antarctic Gateway Strategy*, 2017.

14 Tasmanian Department of State Growth *Tasmanian Antarctic Gateway Strategy*, 2017, p. 6.

Hobart as an Antarctic gateway

- 6.12 Hobart is the home of the AAD and thus the focal point of Australia's Antarctic efforts. Given the Australian Government's commitment to significantly increasing its Antarctic infrastructure and scientific research capabilities, the city will become Australia's key Antarctic gateway.
- 6.13 The *Australian Antarctic Strategy and 20 Year Action Plan* provides that, in relation to Tasmania, the Australian Government's intention is to:
- Build Tasmania's status as the premier East Antarctic Gateway for science and operations, including through:
 - ⇒ streamlined Government regulatory and approval processes to facilitate increased use of Hobart as an Antarctic Gateway port
 - ⇒ agreeing priority proposals with industry to enhance Tasmania's status as an Antarctic Gateway, including expanded infrastructure in Hobart for the new icebreaker
 - ⇒ a major review on building research infrastructure in Hobart to establish Australia as the world's leader in krill research.¹⁵

Enhancing Hobart's competitiveness

- 6.14 The Committee was informed of efforts being made by the Commonwealth and Tasmanian Governments to develop the Antarctic sector, and enhancing Hobart's position as a key Antarctic gateway. The Committee was told that Hobart's developing Antarctic infrastructure assets in areas including aviation, shipping and construction would lead to a variety of economic opportunities for many associated industries with a Tasmanian presence.¹⁶
- 6.15 Evidence to the Committee compared Hobart to Christchurch in New Zealand – one of the cities that has positioned itself as an Antarctic gateway and geographically, Hobart's nearest competitor. The Committee was advised that a number of international Antarctic programs use Christchurch as a base, including the significant United States Antarctic program that has well-built and developed Antarctic infrastructure in the

15 Department of the Environment and Energy, *Australian Antarctic Strategy and 20 Year Action Plan*, 2016, p. 3.

16 Tasmanian Polar Network, *Submission 1*, p. 2.

city.¹⁷ The Committee was also told that Christchurch held a port pricing advantage over Hobart.¹⁸

- 6.16 However, it was suggested that Hobart held a geographic advantage over Christchurch given the proximity of its Antarctic science and port facilities.¹⁹ Evidence also highlighted that the recent earthquake in Christchurch had impacted access to the port facilities in the town of Lyttelton – particularly as it is located some distance from the Christchurch Antarctic logistics hub.²⁰ This has caused some concern for Antarctic entities that use the city as a base.²¹
- 6.17 The Committee was also advised that other cities, such as Cape Town in South Africa and Punta Arenas in Argentina, also host a number of national Antarctic programs. It was noted, for example, that ‘nations that go through South Africa have stations closer to South Africa. You’re not going to draw countries to Tasmania where it’s not economic to bring their ships or aircraft – it doesn’t make sense.’²²

Promoting Hobart's Antarctic credentials

- 6.18 Mrs Lara Hendriks advised the Committee that the Department of State Growth participates in a range of trade promotion activities both in Tasmania and overseas, which seeks to ‘highlight the Antarctic and science efforts of the state and the nation.’²³ Such trade missions have been to China and Europe, for example.²⁴
- 6.19 Ms Karen Rees of the Department of State Growth, advised that trade missions play a vital role for the growth in the Antarctic sector. She advised that the Tasmanian Government plays a role in introducing the

17 Mr Matthew Cocker, Interim Chief Executive Officer, Hobart International Airport, *Committee Hansard*, Hobart, 10 November 2017, p. 4; Mr Richard Fader, Chairman, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

18 Mr Paul Weedon, Chief Executive Officer, Tasmanian Ports Corporation (TasPorts), *Committee Hansard*, Hobart, 10 November 2017, p. 3.

19 Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

20 Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

21 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

22 Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

23 Mrs Hendriks, Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, pp. 13 and 15.

24 Ms Rees, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 16.

Tasmanian Polar Network to representatives of international Antarctic programs to foster industry-based relationships.²⁵

6.20 Mr Richard Fader, Chairman of the Tasmanian Polar Network, highlighted that both industry and the Tasmanian Government would play a role in the future growth of the Antarctic sector in the state. In particular, he highlighted the state government's role was to develop business with international Antarctic delegations that already had a presence in the state including France, China, Italy and South Korea.²⁶

6.21 The Tasmanian Government has begun to see the benefits of these relationships including through the recent visit of a Chinese Antarctic mission to Hobart.²⁷ Mr Cocker, from the Hobart International Airport, noted that the delegation:

... took the opportunity to view the Hobart Airport site and were extremely interested in opportunities for building some type of base out of Hobart on airport land.²⁸

6.22 This engagement, according to the Department of the Environment and Energy, would be 'expected to increase the number of international visitors to the state, create new jobs and attract investment, generating further economic growth.'²⁹

6.23 The Tasmanian Government advised that it already has memorandums of understanding with both the French Institut Polaire Français Paul-Emile Victor (IPEV) and the State Oceanic Administration of China (SOAC) on Antarctic gateway cooperation.³⁰ In the longer term, opportunities to engage further with the national Antarctic Programs of countries such as South Korea are also being pursued.³¹

6.24 The Committee's visit to Hobart in 2017 provided some insight into the strong collaborative effort being undertaken to promote the Tasmanian Antarctic industry through engagement with domestic and international Antarctic entities. Highlights of the Committee's trip included viewing

25 Ms Rees, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 16.

26 Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 5.

27 Ms Rees, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 16.

28 Mr Cocker, Hobart International Airport, *Committee Hansard*, Hobart, 10 November 2017, p. 7.

29 Department of the Environment and Energy, *Submission 13*, p. 16.

30 Tasmanian Government, *Submission 27*, p. 1.

31 Ms Karen Rees, Tasmanian, Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 16.

first hand the work of William Adams Pty Ltd, a Caterpillar tractor distributor supplying and maintaining traverse machinery to various national Antarctic programs. The Committee was also able to observe the various facilities around the Macquarie Point Development and port of Hobart, many of which are used by the Antarctic sector.

- 6.25 The Committee was keen to hear about how Hobart's competitiveness as an Antarctic gateway city could be improved. These included:
- the development of Antarctic infrastructure;
 - the promotion of Tasmanian industry; and
 - the development of Hobart as a an international Antarctic science and research hub.

The development of Antarctic infrastructure

- 6.26 The Tasmanian Government is in the process of developing a significant precinct adjacent to the Hobart waterfront. The \$1.5 billion dollar project, managed by the Macquarie Point Development Corporation, will be developed over some 30 years and cover 9.3 hectares. It will include a range of visitor accommodation and incorporate a mixture of art, science, culture and tourism facilities.³² In the future, shopping and cruise facilities would also be considered as part of the site, with cues taken from similar facilities overseas.³³
- 6.27 As part of the Macquarie Point precinct, an integrated Antarctic science and logistics hub has been proposed. The Tasmanian Government advised that it viewed the proposed Antarctic science hub as important for collaboration and engagement, and it was hoped that the site 'visualises the Antarctic program and its future.'³⁴
- 6.28 According to Ms Mary Massina of the Macquarie Point Development Corporation, the proposed hub offers the opportunity to bring key Antarctic agencies together, providing innovation and collaboration opportunities.³⁵ The Committee was advised of ongoing discussions with

32 Ms Mary Massina, Chief Executive Officer, Macquarie Point Development Corporation, *Committee Hansard*, Hobart, 10 November 2017, p. 9.

33 Ms Massina, Macquarie Point Development Corporation, *Committee Hansard*, Hobart, 10 November 2017, p. 10.

34 Mrs Hendriks, Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 14.

35 Ms Massina, Macquarie Point Development Corporation, *Committee Hansard*, Hobart, 10 November 2017, pp. 1 and 8; Tasmanian Polar Network, *Submission 1*, p. 4.

key entities about the feasibility of relocating to the proposed Antarctic science hub.³⁶

Port infrastructure in Hobart

- 6.29 The port of Hobart is a key maritime hub for Antarctic activity. It supports full port services for Antarctic research and supply vessels in Hobart.³⁷ Operators of Antarctic vessels have access to pilotage, towage, fuel provisioning, stevedoring, secure expedition storage facilities, cold storage, quarantine and maintenance.³⁸
- 6.30 The increased development in Hobart's Antarctic sector has provided the impetus for the revitalisation of its ports infrastructure – both by the port authority and through the proposed Macquarie Point Development. The Tasmanian Ports Corporation (TasPorts) advised the Committee that each visit by Antarctic vessels were worth some \$1 to \$1.5 million to the state.³⁹
- 6.31 TasPorts told the Committee that the port had hosted a range of vessels including those operated by the AAP and by a variety of international Antarctic programs and services. As a result, the port had developed:
- ... a network of service providers/contractors with experience and expertise in supporting Antarctic- related activities, including the supply of waterside workers, victuals, fuel, engineering services, as well as plant and machinery.⁴⁰
- 6.32 Mr Paul Weedon of TasPorts described his organisation's significant investments in Hobart's port facilities, including the development of the Macquarie No. 2 facility, which has become the home of the AAD's logistics and shipside operations, which has been a success.⁴¹ Mr Weedon told the Committee that the construction of berth infrastructure, mooring infrastructure, related warehouse capacity, quarantine services, fuel and shore power were all currently under development.⁴²

36 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 14.

37 TasPorts, *Submission 20*, p. 1.

38 TasPorts, *Submission 20*, p. 1.

39 TasPorts, *Submission 20*, p. 1.

40 TasPorts, *Submission 20*, p. 1.

41 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 2.

42 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 7; Department of the Environment and Energy, *Submission 13*, p. 15.

- 6.33 TasPorts' focus has now shifted to the development of facilities to accommodate the new icebreaker and the development of infrastructure and services to attract international Antarctic programs to use Hobart as a base.⁴³
- 6.34 In the future, there was potential for further integration of industries associated with Hobart's Antarctic activity such as a cruise terminal. The fact that Hobart's port was located in an urban setting would be an advantage in this respect.⁴⁴ Ms Mary Massina added that as part of its proposed development, Macquarie Point aimed to ensure that it did not interfere with the industrial aspect of the existing port and would ensure that boundaries were in place.⁴⁵

Supporting the RSV Nuyina

- 6.35 The Committee was advised that in preparation for the arrival of the new icebreaker, the *RSV Nuyina*, a range of new infrastructure investments are being made including new and permanent port infrastructure to accommodate the vessel in Hobart. This will improve the current arrangements with respect to the current icebreaker, the *Aurora Australis*, which does not have a permanent berth and is often moved to enable the port's cargo operations to take precedence.⁴⁶
- 6.36 TasPorts advised the Committee that, the new icebreaker's berthing arrangements will allow cargo, scientific and maintenance work to be conducted while the ship is in one berth.⁴⁷ The Committee was advised that the new facility would also provide improved cargo storage and biosecurity options for Antarctic operations.⁴⁸

Refuelling capabilities

- 6.37 TasPorts advised the Committee that Antarctic vessels may load more than one million litres of fuel required for either voyages or station use in Antarctica.⁴⁹ As this cannot be done at the port itself, vessels are required to be towed to the nearby Self's Point fuel terminal, passing under Hobart's Tasman Bridge. Movement is restricted due to a prohibition of

43 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 2.

44 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 8.

45 Ms Massina, Macquarie Point Development Corporation, *Committee Hansard*, Hobart, 10 November 2017, p. 8.

46 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 7.

47 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 7.

48 Mr Kevin Moore, General Manager, Customer Management, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 9.

49 TasPorts, *Submission 20*, p. 3.

passage under the bridge during peak periods or when there are tankers at Self's Point. There are a number of vessels, such as those operated by the United States, that are too large to pass under the bridge.⁵⁰

- 6.38 This issue has long been considered a safety risk and adds significantly to the cost base for vessels, which are required to move to be refuelled, subsequently impacting on the ports' international competitiveness.⁵¹ TasPorts has considered a number of solutions. The first, extending a fuel line from Self's Point to the port, at a cost of around \$50 million, is considered prohibitively expensive.⁵² The second solution, utilising a fuel barge to bring fuel from Self's Point to refuel vessels berthed at the port would cost around \$6 to \$8 million.⁵³
- 6.39 TasPorts notes however that while its investigations have found the fuel barge to be an operationally viable option, projections of demand would not make it a commercially viable investment.⁵⁴ This was also noted by the Tasmanian Government, the representatives of which suggested that without a co-contribution from governments, the initiative would not be viable.⁵⁵

Promoting Tasmanian industry

- 6.40 The Tasmanian Government described the breadth of its commitment to growing the state's Antarctic sector. Through the Antarctic Tasmania and Maritime Industries unit located in the Department of State Growth, the Tasmanian Government assists and supports industry to capitalise on Antarctic sector opportunities. The Tasmanian Government also provides support for workforce development for the marine industry and events such as Antarctic conferences and the Antarctic Festival.⁵⁶
- 6.41 The Tasmanian Government provides funding and secretariat support for the Tasmanian Polar Network to leverage opportunities for Tasmanian business.⁵⁷ Mrs Lara Hendriks from the Department of State Growth,

50 TasPorts, *Submission 20*, p. 3.

51 Mr Moore, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 8.

52 TasPorts, *Submission 20*, p. 3.

53 TasPorts, *Submission 20*, p. 3.

54 TasPorts, *Submission 20*, p. 3.

55 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 17.

56 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 12.

57 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 12.

advised the Committee that that the Department works with the Tasmanian Polar Network and the AAD to identify opportunities for Tasmanian industry and engage with the Antarctic sector.⁵⁸

6.42 Mrs Hendriks also advised that Australian businesses could compete for tender opportunities, through the Australian Government's AusTender service, arising from the AAD's requirements. She noted that the Tasmanian Government 'has a focus on helping Tasmanian businesses to try to make a submission and compete on a national scale'.⁵⁹

6.43 The opportunities available within Tasmania's Antarctic sector are broad and include infrastructure projects in shipping, aviation and Antarctic science within the proposed Macquarie Point Development.⁶⁰ The Tasmanian Polar Network highlighted that new Antarctic infrastructure developments in Tasmania would lead to:

...significant opportunities for Tasmanian businesses in areas including engineering, construction, fabrication, waste management, provedoring, power generation, specialised equipment manufacture and maintenance.⁶¹

6.44 The Tasmanian Government drew the Committee's attention to how Tasmanian businesses are engaging with and developing new opportunities through leveraging with the Antarctic sector:

Tasmanian businesses have years of undertaking world leading design, engineering and manufacture of traverse equipment. Tasmanian businesses are experienced in specialised Antarctic construction, prefabrication, waste management, renewable power systems and training for Antarctic conditions and can supply logistics, environmental services, ice forecasting, ship repair and specialised professional services for Antarctic activities.⁶²

6.45 Through the Department of State Growth, the Tasmanian Government also provides support for local industry participants to bid for work as part of the AAD's modernisation program, such as station renewal and

58 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 13.

59 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 17.

60 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, pp. 12-13.

61 Tasmanian Polar Network, *Submission 1*, p. 2.

62 Tasmanian Government, *Submission 27*, p. 3.

traverse capability⁶³ and assistance through programs that consider advanced manufacturing and the needs of small business.⁶⁴ A particular highlight of this engagement is Tasmania's comparative strength in tractor sales and traverse technology.⁶⁵

- 6.46 Tasmanian businesses are also involved in assisting the Antarctic science sector's requirements. The Tasmanian Government submitted that local businesses produce and provide products and services to support the complex science undertaken in Antarctica including:

... scientific instrumentation, ship outfitting and food provisioning, technical and mechanical products and services, waste management, medical services, weather and ice forecasting, and marine engineering.⁶⁶

Hobart as an international science and research hub

- 6.47 Ensuring that Hobart's offerings as an Antarctic gateway are internationally competitive requires consideration beyond its infrastructure capabilities. In particular, Hobart's growing reputation as an Antarctic science hub, in part due to its proximity to Antarctica, aims to enhance its attractiveness to national Antarctic programs. The prospect of increased scientific collaborative opportunities coupled with its infrastructure offerings will enable Australia and other nations with an interest in Antarctica to meet their obligations under the ATS.
- 6.48 The Tasmanian Government told the Committee that Hobart serves as a port of call for visiting international Antarctic missions or research and supply vessels from countries including France, the United States, South Korea and China.⁶⁷ Other nations, such as Japan also make occasional visits.⁶⁸ Other inquiry contributors also highlighted the impact of specific visiting international Antarctic programs and their significance to the Tasmanian economy.⁶⁹

63 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 12.

64 Mrs Hendriks, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 12.

65 Ms Rees, Director, Tasmanian Department of State Growth, *Committee Hansard*, Hobart, 10 November 2017, p. 16.

66 Tasmanian Government, *Submission 27*, p. 3.

67 Tasmanian Government, *Submission 27*, p. 1; IMAS University of Tasmania, *Submission 8*, p. 2.

68 Tasmanian Government, *Submission 27*, p. 1.

69 Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 5.

- 6.49 France, for example, has a strong and longstanding presence in Hobart, and the Committee was advised that the French economic contribution to Tasmania had been in excess of \$30 million.⁷⁰ The Committee was advised that the French national Antarctic program has used Hobart as a base for many years and have a local agent to manage its affairs, including maintaining a warehousing facility.⁷¹
- 6.50 Mr Richard Fader noted that French expeditioners contribute to the local economy during stays in the city before and after visits to Antarctica.⁷² A significant portion of the French Antarctic program's stores – including fresh food, meats, drinks and items required to sustain their station – are supplied out of Tasmania.⁷³ This relationship remains strong and, as Mr Fader advised, the French Antarctic program's new vessel is based in Hobart for the summer Antarctic season.⁷⁴
- 6.51 Mr Fader also discussed the presence of the South Korean Antarctic program in Tasmania. While the South Korean program does not base itself in Hobart, the city does have the storage facilities for a special blend of Antarctic fuel used by it and a number of other national Antarctic programs, such as China.⁷⁵

Developing Antarctic tourism and outreach

- 6.52 While Hobart's growing Antarctic science and infrastructure assets form the core of the city's Antarctic engagement, the Committee received evidence that the development of a tourism industry would complement Hobart's growing role as an Antarctic science and infrastructure hub. In particular, evidence to the Committee suggested that Hobart could be used as a base for outbound Antarctic tourism and also that the city itself

70 Mr Fader, Chairman, Tasmanian Polar Network, , *Committee Hansard*, Hobart, 10 November 2017, p. 5.

71 Mr Fader, Chairman, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 5.

72 Mr Fader, Chairman, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 5.

73 Mr Fader, Chairman, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 5.

74 Mr Fader, Chairman, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 5.

75 Mr Fader, Chairman, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, pp. 5-6.

could be used to further promote and raise the profile of Australia's Antarctic engagement.

Outbound Antarctic tourism

- 6.53 Evidence to the Committee suggested that an Antarctic tourism sector could be enhanced by the development of a cruise terminal and related infrastructure as part of the development of Hobart's port infrastructure.⁷⁶ TasPorts advised the Committee that both the Antarctic science and broader cruise sectors could co-exist and were both viewed as very important for future of the city.⁷⁷
- 6.54 For a Hobart-based cruise sector to be competitive, TasPorts suggested that the city's would need competitive port pricing.⁷⁸ TasPorts advised that it had evaluated its cruise pricing against the offerings in New Zealand and had found Hobart's offerings to be uncompetitive by comparison.⁷⁹ Hobart's pricing structure was revised as a result and had led to engagement with cruise operators. TasPorts told the Committee that it had been receiving enquiries from cruise operators about the possibility of operating from Hobart, this would allow replication of cruise experiences available from other international ports, such as in South America.⁸⁰ Other companies were also using the port to offer non-Antarctic cruises from Hobart.⁸¹
- 6.55 From a regulatory perspective, the Institute for Marine and Antarctic Studies noted that 'Antarctic tourism is regulated under the ATS, but also relies heavily on national controls by Antarctic Treaty Parties and self-management by tour operators through an industry body, the International Association of Antarctica Tour Operators (IAATO).'⁸²
- 6.56 Mr Fader suggested that cruise offerings from Hobart to Antarctica would provide a different type of experience, from those leaving from other Antarctic gateways that he described as 'much more of an adventure than cruising'.⁸³ He suggested that unlike Antarctic cruises that departed from South America, cruises that departed from Hobart to East Antarctica in

76 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

77 Mr Moore, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 2.

78 Mr Moore, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 6.

79 Mr Moore, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 6.

80 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

81 Mr Moore, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 6.

82 IMAS University of Tasmania, *Submission 8*, p. 2.

83 Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 4.

particular, would not have the opportunity to land on the continent.⁸⁴ Nevertheless, Mr Weedon of TasPorts suggested that tourists who embarked on Antarctic cruises from Hobart would have access to Antarctic science education information available in the city.⁸⁵

- 6.57 A number of inquiry contributors also highlighted that tourism to Macquarie Island was also an option as part of any consideration of Antarctic Tourism.⁸⁶ Tourism operator Chimu Adventures suggested that the island's unique geology and wildlife including king penguins, elephant seals and royal penguins made it a potential tourism drawcard.⁸⁷ At present, according to Chimu Adventures, government 'regulation currently places unnecessary restrictions on what could be an export earning tourism product for Australia and Tasmania more specifically. On Macquarie Island Tasmania Parks and Wildlife service allows very few visitors onto the island by tourists and at only at tightly restricted sites.'⁸⁸ Chimu Adventures believes that relaxing such regulatory burdens would open up significant tourism opportunities.⁸⁹
- 6.58 With respect to leveraging aviation assets in the tourism sector, Chimu Adventures suggested that opportunities existed for flying passengers to Antarctica while utilising Australia's blue ice runway at Wilkins Aerodrome and providing purpose built accommodation.⁹⁰
- 6.59 Given Antarctica's pristine environment, any proposed outbound tourism initiatives would need to be consistent with Australia's Antarctic Tourism Policy. The Policy provides that any tourism activities are required to be consistent with Australia's obligations under the ATS. Activities consistent with the policy must be ecologically sustainable and socially responsible.⁹¹

Promoting the Australian Antarctic Program

- 6.60 As part of its visit to Hobart, the Committee had the privilege of inspecting the AAD's facilities in Kingston, Tasmania. Part of this visit

84 Mr Fader, Tasmanian Polar Network, Committee Hansard, Hobart, 10 November 2017, p. 4.

85 Mr Weedon, TasPorts, *Committee Hansard*, Hobart, 10 November 2017, p. 3.

86 See for example: Mr Fader, Tasmanian Polar Network, *Committee Hansard*, Hobart, 10 November 2017, p. 4.

87 Chimu Adventures, *Submission 26*, p. 1.

88 Chimu Adventures, *Submission 26*, p. 1; IMAS University of Tasmania, *Submission 8*, p. 2.

89 Chimu Adventures, *Submission 26*, p. 1.

90 Chimu Adventures, *Submission 26*, p. 1.

91 AAD, Department of the Environment and Energy, 'Australian policy' 17 October 2005, <<http://www.antarctica.gov.au/about-antarctica/tourism/australian-policy>>, viewed 22 February 2019.

entailed inspection of both the AAD's public display and the krill aquarium, which is not open to the public.

- 6.61 In describing the role of the AAD with respect to tourism, the Department of the Environment and Energy advised that it maintains a small public display at its headquarters in Kingston, Tasmania.⁹² The Committee was told that this attracts some visitors although the number of visitors⁹³ and visitor experience are not assessed.⁹⁴
- 6.62 Ms Massina, of the Macquarie Point Development Corporation advised that the growth in the visitor accommodation sector coupled with positive reviews of Hobart from international tourism organisations made Tasmania:
- ... a key place for a combination of tourism experiences, both in terms of natural as well as art and culture, which underpins ultimately the purpose of Macquarie Point development site from a science and tourism perspective.⁹⁵
- 6.63 Hobart Airport also submitted to the inquiry that it believed that it had a role to play in the development of the Antarctic tourism industry as the new runway extension would provide further reach in terms of passenger movements. This could already be seen in the numbers of Chinese and American tourists who had visited Hobart in the previous year.⁹⁶

Committee comment

- 6.64 The Committee's inquiry shows that Australia's Antarctic sector is growing and that Hobart is a key beneficiary of this. Opportunities exist for both Australia and Tasmania to capitalise upon recent investment in the sector, consistent with Australia's obligations under the ATS.
- 6.65 The Committee, which travelled to Hobart and Antarctica in November 2017 to inspect various scientific and infrastructure facilities, observed a

92 Dr Gales, AAD, Department of the Environment and Energy, *Committee Hansard*, Canberra, 15 February 2018, p. 18.

93 Department of the Environment and Energy, *Submission 13.3*, p. 1.

94 Dr Gales, AAD, Department of the Environment and Energy, *Committee Hansard*, Canberra, 15 February 2018, p. 18.

95 Ms Massina, Macquarie Point Development Corporation, *Committee Hansard*, Hobart, 10 November 2017, p. 4.

96 Mr Cocker, Hobart International Airport, *Committee Hansard*, Hobart, 10 November 2017, p. 4.

very tight-knit community that openly supports the development of the Antarctic industry as a whole.

Roles for government

- 6.66 Australia's Antarctic program is a key driver of the nation's Antarctic infrastructure, science and international engagement priorities. This inquiry has demonstrated that while these priorities are important and form core planks of the *Australian Antarctic Strategy and 20 Year Action Plan*, scope exists to realise economic benefits, particularly for Tasmania, as a result. As such, the Committee believes that it is in the interests of both the Australian and Tasmanian Governments to continue collaboration and maximise this potential.
- 6.67 The Committee is pleased to see that engagement between federal, state and local government has been formalised through the Australian Government's *Smart Cities Initiative*. The resulting City Deal will provide a coordinated approach to the long term development of infrastructure, including Antarctic infrastructure, for the city of Hobart. Such development is likely to generate a range of employment and business opportunities for further economic growth.
- 6.68 While the Committee understands that funding arrangements and specific projects under the City Deal are to be determined, the tripartite memorandum of understanding provides a basis from which a range of Antarctic infrastructure projects for Hobart can be planned.

Recommendation 18

The Committee recommends that the Australian Antarctic Division in conjunction with the Department of Infrastructure, Regional Development and Cities, work with the Tasmanian Government and local government to outline the key Antarctic priorities under the Hobart City Deal including a broad funding agreement and project timeline, particularly with reference to the Macquarie Point Antarctic Precinct.

- 6.69 While the Committee is encouraged by the engagement between federal, state and local government through the *Smart Cities Initiative*, the Committee is of the view that the federal government should play a greater role in promoting Tasmania, and more broadly Australia, as an

Antarctic gateway and hub. In particular the Committee was unable to identify Australian Government agencies within the federal trade portfolio with responsibility for this. The Committee therefore encourages the Australian Government to take a more active role in promoting Australian-based Antarctic businesses to the world.

Recommendation 19

The Committee recommends that the Department of Foreign Affairs and Trade identify or establish an appropriate federal mechanism to create an Office of Antarctic Services. Such an office would oversee the promotion of Australia, and in particular Hobart, as an Antarctic gateway and hub to international Antarctic programs.

- 6.70 The Committee is pleased to see the Tasmanian Government's extensive commitment to the Antarctic which is resulting in growing economic benefit for the state. Underpinned by the Tasmanian Antarctic Strategy, the Tasmanian Government's partnership with industry is beginning to yield impressive results. In particular, the support provided to the Tasmanian Polar Network to collaborate with various industry sectors provides the Committee with confidence of the strength of the Antarctic sector in Tasmania.
- 6.71 In the Committee's view, the Commonwealth and Tasmanian Governments should also continue to pursue opportunities to attract further international engagement with Australia's Antarctic gateway. In particular, the Committee notes the interest of some national Antarctic programs in either using Hobart as a base for their Antarctic ventures or expanding current operations. The city's growing Antarctic infrastructure presents a compelling case for some national Antarctic programs to make better use of Hobart as an Antarctic base and both Australian and Tasmanian Governments should work to accommodate this possibility.

Recommendation 20

The Committee recommends that the Australian and Tasmanian Governments work with other nations' Antarctic programs that have or seek to have a presence in Hobart to ensure that their requirements are met through the provision of relevant infrastructure and services.

Hobart as an Antarctic gateway

- 6.72 The Committee notes the Australian Government's commitment under the *Australian Antarctic Strategy and 20 Year Action Plan* to build Tasmania's status as the premier East Antarctic gateway for science and operations. The growing science and infrastructure developments in Hobart support this objective, however, there are a range of ways in which the city's international competitiveness in the Antarctic space could be enhanced.
- 6.73 Evidence to the Committee highlighted cities in New Zealand, South Africa and Argentina as competing with Hobart for international Antarctic business. In the Committee's view, the positioning of Hobart as a science hub in addition to its growing infrastructure credentials is a factor that sets this Australian city apart.
- 6.74 The proposed Macquarie Point Development on the Hobart waterfront could provide a unique opportunity to develop an Antarctic science hub within close proximity of Hobart's port facilities. The Committee understands that there are ongoing discussions between the Macquarie Point Development Corporation and a range of Antarctic stakeholders to assess the feasibility of an Antarctic science hub being developed as part of the larger Macquarie Point precinct. The Committee looks forward to being updated on this proposal.

Port infrastructure in Hobart

- 6.75 The Committee heard evidence that highlighted the importance of port of Hobart to the local economy. In particular, evidence tendered to the Committee painted a picture of a vibrant port precinct which includes a mix of commercial, tourism and administrative facilities. From an Antarctic perspective, evidence suggested that the port welcomed a range of national Antarctic programs and their vessels. In particular, the Committee would like to acknowledge the work of the TasPorts in

continuing to develop the facility that will eventually house Australia's new Antarctic icebreaker, the *RSV Nuyina*.

- 6.76 The Committee did have some concerns around difficulties experienced by various vessel operators with respect to refuelling. The Committee notes the proposal by TasPorts to use a fuel barge to bring fuel from Self's Point to the port to resolve this issue, however note that it would not be commercially viable at this stage.

Recommendation 21

The Committee recommends that the Australian Government, through the Department of Infrastructure, Regional Development and Cities, consider providing assistance to TasPorts to improve the viability of the proposal to use a fuel barge to bring fuel from Self's Port to the port of Hobart.

Developing Antarctic tourism and promoting Antarctica

- 6.77 In recent years, Australia's cruise industry has flourished however Antarctic tourism presents an untapped opportunity which has otherwise only been available from ports such as in Punta Arenas in Argentina. At the same time, the Committee considers there are significant opportunities for maximising Antarctica-related tourism that do not involve leaving Australia.
- 6.78 In the Committee's view, the development of a Hobart-based Antarctic cruise sector is an interesting opportunity for the city. The Committee applauds the work already undertaken by TasPorts to improve its pricing competitiveness in the sector – a move which has begun to draw enquiries from cruise operators. To ensure that the industry is supported to enable growth, the Commonwealth and Tasmanian Governments should assist relevant government and private stakeholders to manage the regulatory framework and assurance processes required for the industry to operate.
- 6.79 The Committee notes the suggestion by a number of inquiry participants that cruise tourism access be granted to Macquarie Island so that more people can experience the island's unique wildlife. While the Australian Government might wish to consider the feasibility of this proposal, the Committee would not wish any change to access arrangements to compromise the important scientific and monitoring

work undertaken on the island. Any proposed tourism activity should also be consistent with Australia's Antarctic Tourism Policy.

- 6.80 The Committee also notes the suggestion that the Australian Government consider allowing Antarctic tourist flights to operate using the runway at Wilkins Aerodrome. While this infrastructure is currently available for use by the AAD, the Committee does not consider it feasible for an Antarctic tourism operation to be conducted using this facility at the present time given the need to ensure that Australia's scientific and infrastructure priorities can continue unhindered.
- 6.81 The AAD's headquarters in Hobart are primarily used for the AAP's administration, policy development, scientific analysis and maintenance needs. The facilities include a small public display with information on the AAP and a krill aquarium, which members of the committee were pleased to have the opportunity to inspect.
- 6.82 In the Committee's view, both the display and the aquarium are facilities that should be leveraged to enhance the broader awareness of Australia's Antarctic Program and Australia's national interests. The current facilities at Kingston are some distance from the Hobart CBD and the proposed Antarctic science hub at Macquarie Point. However, the Australian Government may wish to consider the options available to promote the work of the AAD and the AAP to a wider audience. Such a move would boost tourism in Hobart and enable visitors to be provided with an Antarctic experience without the need to travel to the continent. In considering options, an assessment should be made of the scale and impact of the visitor experience, with consideration given to the most appropriate site for such a venture. The proposed Macquarie Point Development, in time, may be an appropriate location for this.

Recommendation 22

The Committee recommends that the Australian Government, through the Department of the Environment and Energy, consider ways in which the work of the Australian Antarctic Program can be given further prominence. In doing so, consideration should be given to the needs of visitors, the educational objectives to be communicated, and how Australia's national interests can best be served.

6.83 In concluding this report, the Committee would like to acknowledge the AAD and the very dedicated staff with whom the Committee engaged during its visit to Hobart and Antarctica. It is clear that the AAD has a good story to share with the Australian community about Australia's work in Antarctica. There are opportunities available to promote the AAP to a much wider audience, and consideration should be given to how this is achieved.

Mr Ben Morton MP
Chair
10 May 2018

