

## **Australian Maritime Safety Authority Opening Statement Additional Estimates 12 February 2024**

At our previous appearance, the Committee had explored a procurement by AMSA for 2 distinct but linked services of roughly equal value. Emergency towage capability, which attracted healthy competition and has since proceeded to contract, and aids to navigation maintenance which has since been put back to the market in a revised form.

The Committee wrote to me on 8 November 2023 regarding our previous appearance and “concerns” raised by stakeholders and I responded on 17 November 2023 explaining why those concerns were unfounded and incorrect.

Following our previous appearance, we also received 15 questions on notice on our approach to market for services to maintain our aids to navigation.

I would like to provide some background for the Committee.

AMSA is responsible for around 480 maritime aids to navigation for coastal navigation (States and Ports look after ports and internal waters where there are thousands more). Maritime aids to navigation are exactly that; an *aid* to navigation. While ships primarily rely on electronic charts and satellite positioning the lights, radar beacons and other daylight visual aids we provide are an important means of verifying location and should global positioning systems fail would be critical back up.

We rely on numerous contractors to maintain and operate our network. The same service provider has delivered our lower-value planned maintenance and response to outages for over 20 years. The model has been effective although performance of the contractor has not been without challenges – particularly in recent years.

In planning early for the end of the current contract on 30 June 2024, AMSA undertook a request for information process through AusTender in January 2022. Enough companies provided a response so that we released the open tender in August 2022 for services from 1 July 2024 expecting healthy competition.

We were surprised when only one tender for aids to navigation services was submitted. In accordance with our procurement evaluation plan, the tender was assessed against the technical requirements and on the information provided did not give AMSA confidence that the necessary contract services would be delivered as required. The evaluation committee comprised three AMSA employees with appropriate skills and experience who independently assessed the tender against each criteria and were then brought together with the independent probity adviser to moderate and agree on the overall scoring.

No Board member or Executive member was involved in the scoring. As you would expect, the Executive had effective oversight of the procurement, and a full and detailed report was provided to our Board.

Given this unexpected result considerable work has been undertaken to re-evaluate our approach to this work and approach the market again to ensure these services will be provided into the future. Reapproaching the market with the same model would most certainly bring a repeat result.

In development of the new model, an active risk register has been maintained along with treatments of those risks and the AMSA Board has been kept apprised of the results of the approach to market and revised approach.

Our key objective remains that the aids to navigation will be maintained to achieve levels of availability specified by the International Association of Aids to Navigation and Lighthouse Authorities of which AMSA is Australia's national member and active contributor to their standards.

The first tranche of tenders – dividing the national task geographically and functionally – were released on AusTender last week. Our detailed planning shows we will have contracts in place by 1 July 2024 with contingencies should there be delays.

The network is robust, maintenance intervals are 2 years for many sites and AMSA has in-house skilled staff who manage an annual capital works program of similar value to the national maintenance contractor for major overhauls or refurbishment of sites beyond minor maintenance undertaken under the national contract.

The original approach to market composed two parts – aids to navigation maintenance and emergency towage capability. The Emergency Towage Capability component was awarded in December 2023 to Smit Lamnalco for an enhanced capability from the current 82 tonne bollard pull vessel to a 100 tonne bollard pull vessel from 1 July 2024 while a purpose built fuel efficient vessel of 120 tonne bollard pull is completed for the remainder of the contract.

AMSA is committed to probity and compliance with the Commonwealth Procurement Rules and achieving value for money for industry and the community. Our procurement and contract management has been reviewed recently by the ANAO and we were proud of the positive report that resulted. An unsuccessful tenderer in a procurement is specifically afforded rights under the *Government Procurement (Judicial Review) Act* should they feel our procurement does not comply with those rules, and we know the unsuccessful bidder for the original aid to navigation maintenance work is aware of that process.