

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice
Environment and Energy portfolio

Question No: 153
Hearing: Budget Estimates
Outcome: Outcome 3
Program: Australian Antarctic Division (AAD)
Topic: Shipbuilders
Hansard Page: 15
Question Date: 23 May 2017
Question Type: Spoken

Senator Xenophon asked:

Senator XENOPHON: You have asserted that there was a good deal of discussion with established shipbuilders. Can you provide details of those discussions. Which shipbuilders did you have discussions with? Who were the shipbuilders? Were they Australian based shipbuilders such as Austal or ASC or others? Please provide those details. Did it include overseas shipbuilders? What benchmarking was done early on to establish what the capacity was for Australian industry to do this project?

Dr Gales: I am happy to take that on notice.

Answer:

Between 2009 and 2012 various interested parties approached the Department to meet and to broadly discuss the Department's capability requirements, timeframes and plans to procure a new research supply icebreaker. During this time the Department met with BAE Systems, Knud E Hansen, STX Europe, STX Finland, P&O Maritime, Teekay Shipping, and other interested parties such as Lockheed Martin and Nova Systems. Each of these entities were provided with a similar opportunity to present their own information to and each entity received a similar project presentation from the Department.

In January 2013, a non-binding request for proposal for the new research supply icebreaker was issued to the open market through AusTender and the process was conducted in accordance with the Commonwealth Procurement Guidelines that were in place at that time. There were no evaluation criteria or requirements that precluded Australian shipyard participation, or precluded respondents from proposing different delivery timeframes.

The non-binding request for proposal included a specific clause inviting respondents to submit additional information in relation to Australian industry participation, such as opportunities for Australian industry; 'or different options for increasing Australian industry participation and related cost implications'. The request for proposal also allowed respondents (or consortia members), to provide alternative proposals. Through this, industry had opportunity to provide comparative options to build the research supply icebreaker in Australia, or to also propose other models such as design and construct.

In response, a total of six responses were received, each being from established Australian companies that were working within the maritime industry. Each proposed to build the research supply icebreaker at shipyards overseas, and none submitted an alternative proposal to build the research supply icebreaker in Australia.

Other major Australian shipbuilding entities downloaded the request for proposal and remained actively engaged in the AusTender downloading process during the issue period. However, they did not submit a proposal, and it can be reasonably assumed that they either decided not to form part of, or were not approached to form part of, any of the six separate Australian led consortia who did submit proposals.