

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

Answers to questions on notice  
**Environment and Energy portfolio**

**Question No:** 158  
**Hearing:** Budget Estimates  
**Outcome:** Outcome 3  
**Program:** Australian Antarctic Division (AAD)  
**Topic:** Chartering costs  
**Hansard Page:** 18  
**Question Date:** 23 May 2017  
**Question Type:** Spoken

**Senator Xenophon asked:**

Senator XENOPHON: The cost over 34 years is \$56.24 million per annum. What are we paying now for the current chartering costs, roughly?

Dr Gales: I will give you the actual figures on notice, because there are different—

Senator XENOPHON: It is under \$52 million, is it not?

Dr Gales: Part of the difficulty with these figures is that some of the figures reported by ANAO do not include fuel and insurance and other ones do. So I would much rather—I would be more comfortable providing you with the correct figures, which include all of the same so they are more comparable.

**Answer:**

The Department has a contract with P&O Maritime Pty Ltd, who own, operate, and maintain the *Aurora Australis* (a 95m long research supply vessel launched in 1989) to provide services to Australia's Antarctic Program. The contract cost to the Department in recent years, including fuel, has been an average of around \$20.5 million per year (GST exclusive).

The ANAO Report estimates the whole of life cost for the new research supply icebreaker to be an average of \$56.24 million per year. This calculation spreads the capital cost of \$488 million over 30 years.

For the majority of its life, the *Aurora Australis* has been one of two ships that the Australian Antarctic Division has needed to support the Australian Antarctic Program.

Since 2011, the business need and costings for a single new research supply icebreaker with the capability and capacity required to support the current and future needs of the Australian Antarctic Program has been scrutinised, considered and agreed by Australian Government on multiple occasions.

Therefore, the Department considers that making a direct comparison between the costs of the two vessels (which are generations apart in design, capability, regulatory compliance, capital depreciation, and operate under different models), is open to broad interpretation.