

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

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

**Question No:** 167  
**Hearing:** Budget Estimates  
**Outcome:** Outcome 3  
**Program:** Australian Antarctic Division (AAD)  
**Topic:** Icebreaker – Price Rise  
**Hansard Page:**  
**Question Date:** 05 June 2017  
**Question Type:** Written

**Senator Xenophon asked:**

The Auditor General revealed a significant difference between the RFP and final contracted price. Please detail each item that caused a price rise and the magnitude of the price rise

**Answer:**

The Department has made the assumption that the question intended to seek information relating to differences between the RFT (request for tender) tendered price and the final contracted price.

The tendered fixed-price was provided in two currencies consisting of €261,285,070 and \$74,632,247. The contract fixed-price is the combined total of €276,434,075 (an increase of €15,149,005) and \$59,950,792 (a decrease of \$14,681,455).

A range of offsets and price increases were negotiated with the contractor prior to finalising the contract. Many of the price changes were aggregated together through the negotiations and it is not practical to provide a detailed list of the specific items although the following represents the material changes and amounts.

- DMS Maritime 'project management' savings (decrease of \$14.3m)
- Design related changes to enhance the tendered solution (increase of €11.3m)
- Changes to commercial arrangements (increase of €0.1m, decrease of \$1.9m)
- Price changes as a result of extended delivery date (increase of €4.2m)
- Changes relating to delivery (decrease of €0.5m, decrease of \$1.9m)
- Reallocation of tendered costs from the O&M and D&B phase (reallocation of \$3.5m)