

SECURITY CLASSIFICATION: UNCLASSIFIED  
BRIEFING NOTE – MINISTER

**Subject**      **Orientation of ex-HMAS *Tobruk***

Approval is required as soon as possible to facilitate the earliest possible public access to the wreck.

**RECOMMENDATION**

It is recommended that the Minister:

- **note** that the Department of Environment and Science (the department) has assessed options for the ex-HMAS *Tobruk* on the basis of expert advice and concluded that retaining the ship in its current orientation can provide a high quality dive experience and avoids an unacceptable level of risk, cost and access delay associated with attempting to right the ship
- **approve** the commencement of work on the ship to prepare it for public access in its current position
- sch3( 2)(1)(b) Cabinet matter - Would reveal consideration of Cabinet/prejudice confidentiality
- **approve** either
  - the return of \$700 000 of the Bundaberg Regional Council's (BRC) and Fraser Coast Regional Council's (FCRC) total \$2.25 million contribution to the project; or
  - should the councils prefer, their release from annual financial contribution obligations towards the wreck's ongoing maintenance program at up to \$50 000 per annum for 14 years
- **note** that the department further intends to support the tourism industry adapt to this change in wreck orientation by waiving the requirement for a minimum fee payment by commercial operators for the first three years

**BACKGROUND**

- The ex-HMAS *Tobruk* project is a Queensland Government project in partnership with BRC and FCRC to create a world-class dive site and artificial reef in the Wide-Bay region.
- BRC and FCRC contributed a combined \$2.25 million to the project, with a further \$8 million contribution by the Queensland Government.
- On 29 June 2018, ex-HMAS *Tobruk* was scuttled in the Great Sandy Marine Park landing on its starboard side.
- The initial dive design of the ship was based on the ship landing in an upright position.

**KEY ISSUES**

- To inform the necessary decision on the most appropriate and final orientation of the wreck, independent appraisals were conducted on both righting (parbuckling) the ship and leaving it in-situ.
- Independent advice on righting the ship was provided by TMC Marine Pty Ltd, which has international experience in vessel salvage operations (**Attachment 1**). A second preliminary quote was also provided by Ardent Oceania Pty Ltd (**Attachment 1a**).
- An additional report was prepared by 

s78(B)(2)

 further evaluating the parbuckling risks (**Attachment 2**).
- These reports determined that attempting to right the ship would present an unacceptable and significant level of risk to the ship's structural integrity, estimate to cost between \$6 and \$20 million and take at least 12 months to complete.
- Going further, the reports state:

- ‘There are often significant risks associated with parbuckling a vessel, and so it is typically only done in extreme circumstances, such as to eliminate a navigational hazard, salvage to recover scrap values, or body recovery.’;
  - ‘It is important to note that a number of the vessels that were ultimately scrapped were originally intended to be repaired but couldn’t due to parbuckling damage’; and
  - The unknowns of wrecks and the risks in parbuckling cannot be understated and the consequences can be extreme and could endanger the personnel and equipment involved in such an operation.
- As an alternative, a detailed plan has been developed by the contractor Birdon (Qld) Pty Ltd (Birdon), in consultation with the department, on the works required to make the wreck safe in its current orientation and continue to provide a world class dive experience (**Attachment 3**).
  - This plan identifies it takes approximately 40 on-water days, at a cost of \$1.1 million to prepare the wreck for diving. It is considered a low risk operation.
  - To further validate the viability of the wreck in its current orientation as a safe world class dive site, an independent dive survey and inspection was undertaken by sch4p4( 6) Personal information a longstanding and well respected representative of the recreational dive industry in Australia, who has dived 76 wrecks. sch4( 6) Personal information report concludes “...ex-HMAS Tobruk remains a highly suitable and extremely attractive wreck dive.” (**Attachment 4**).
  - Based upon these independent appraisals it is deemed most appropriate for ex-HMAS Tobruk to remain on its starboard side and the dive design be reconfigured accordingly.
  - With regard to funding these modifications sch3( 7) Information subject to legal professional privilege  
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  - Birdon has confirmed it will cover the costs to reconfigure the dive design and modification works (**Attachment 6**).
  - Birdon has specified that reconfiguration works would take an estimated 40 days, subject to weather conditions. It can start the work quickly and barring unforeseen weather the wreck would be open to diving this summer.
  - Commercial dive operators are concerned their earning and market potential will be adversely impacted by a decision to leave the vessel in-situ. While the department believes this risk to be negligible based on the expert advice it has obtained, to address these concerns the department intends to:
    - waive minimum commercial operator fee requirements for the first three years with the department absorbing what are expected to be minimal if any revenue impacts
 sch3( 2)(1)(b) Cabinet matter - Would reveal consideration of Cabinet/prejudice confidentiality
  - The proportion of unspent project funds attributable to the \$2.25 million contribution from the BRC and FCRC is \$700 000. The department proposes to either offer this funding back to the councils or should the councils prefer, release them from their annual financial contributions towards maintaining the dive site for a period of 14 years. The councils had collectively committed up to \$50 000 per annum for this purpose.
  - Remaining state project funds of \$1.4 million will be returned to consolidated revenue.

## FINANCIAL IMPACTS

- The total value of the contract with Birdon is \$4.035 million (plus GST).
- Birdon has advised that its insurance is unlikely to cover these remediation works to rectify issues but, as above, has indicated it is prepared to cover the costs of reconfiguration. Hence there will be no additional cost to the department to reconfigure the dive design to suit the starboard orientation of the wreck.
- The current unallocated project fund balance is \$3.1 million, nominally comprised of \$2.4 million of state funds and \$700 000 of council funding.
- On the basis that Birdon covers the full costs of reconfiguration, the measures outlined in this brief will be fully met by existing project funding while still allowing \$1.4 million to be returned to consolidated revenue.

## CONSULTATION

- The four commercial dive operators issued authorities to operate on ex-HMAS Tobruk were invited to take part in a site familiarisation dive on the wreck on Saturday 7 July 2018.

- Following the dive, the preference from all operators was for the wreck to be in the upright position, however three operators said they would be able to operate on the wreck in the current orientation (**Attachment 7**).
- Departmental officers have met with representatives from BRC and FCRC on a number of occasions to discuss incoming information relevant to the ex-HMAS *Tobruk*. BRC and FCRC have expressed a preference for the ship to be righted.
- BRC and FCRC should be consulted about a final decision not to right the ship. The four commercial tour operators will be subsequently informed.
- TEQ has been engaged and are supportive of leading the promotional and marketing campaign.

**COMMUNICATIONS/MEDIA OPPORTUNITIES**

- The department has prepared a media release, Question and Answer fact sheet and dive video footage for an announcement.
- While the modifications works are occurring, the department will reinvigorate the dedicated facebook site and provide regular updates on preparation progress.

**FUTURE STEPS**

- The contractors to reconfigure the dive design of the wreck in the current orientation.
- Marketing campaign to promote the dive site.
- Dive site open to public within the 2018–2019 summer.

**Endorsed**



Jamie Merrick (or Senior Director on behalf of)

**Director-General**

8/10/18

**Noted / Approved / ~~Not Approved~~**



Leeanne Enoch (or Chief of Staff on behalf of)

**Minister for Environment and the Great Barrier Reef,  
Minister for Science and Minister for the Arts**

09/10/2018

<i>Minister or Director-General comments</i>

**Electorates:** Electorates of Burnett and Hervey Bay.

## Ex-HMAS Tobruk Scuttling event

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### Points of relevance

- Ex-HMAS *Tobruk* will be scuttled at approximately 10-12am on Friday 29 June, six months ahead of schedule (this date is subject to change in case of unfavourable weather conditions).
- The scuttling site is approximately 22 Nautical miles southeast of Burnett Heads and 25 Nautical miles northwest of Hervey Bay.
- People are encouraged to come and witness this historic event. Commercial tours are being arranged from both Bundaberg and Hervey Bay.
- A 500m exclusion zone will be in place around the ship during the event.
- For the safety of the environment and marine life, no explosives will be used during the scuttling.
- The ship will be flooded via pneumatically operated valves, and will take approximately one hour to sink.
- A wildlife observer will be keeping a lookout from a helicopter for marine life before and during scuttling.
- Over 400 tonnes of material, contaminants and waste was removed from the ship, the majority of which was recycled.
- The dive site should be ready for divers to access in late July, once final safety checks have been conducted and moorings have been installed.
- The site will allow for recreational scuba divers and snorkelers to explore the ship through bookings with four commercial operators and a separate booking system for private divers.
- For the safety and enjoyment of divers, there is no fishing to occur at this site.
- Items of historic interest have been kept on the ship where possible, to provide an authentic dive experience for divers. Some items have been removed and will be on public display around the region.
- The project has generated approximately 20 temporary full time jobs for locals throughout the preparation, towing and scuttling operations.

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BRIEFING NOTE – MINISTER

## Subject Orientation of ex-HMAS *Tobruk*

Noting ~~and approval~~ is required as soon as possible to facilitate the earliest possible public access to the wreck.

### RECOMMENDATION

It is recommended that the Minister:

- **note** that the Department of Environment and Science (the department) has assessed righting options and concluded that retaining ex-HMAS *Tobruk* in its current orientation can provide a high quality dive experience and avoids an unacceptable level of risk, cost and access delay associated with attempting to right the ship
- **note** that the department intends to support the tourism industry adaption to this change in wreck orientation by:
  - waiving minimum payable fees by commercial operators for the first 12 months
  - contributing \$100 000 to the regional tourism organisations for dive marketing campaigns.

### BACKGROUND

- The ex-HMAS *Tobruk* project is a Queensland Government project in partnership with the Bundaberg Regional Council (BRC) and Fraser Coast Regional Councils (FCRC) to create a world-class dive site and artificial reef in the Wide-Bay region.
- BRC and FCRC contributed a combined \$2.25 million to the project, with a further \$8 million contribution by the Queensland Government.
- On 29 June 2018, ex-HMAS *Tobruk* was scuttled in the Great Sandy Marine Park landing on its starboard side.
- The initial dive design of the ship was based on the ship landing in an upright position.

### KEY ISSUES

- To inform the necessary decision on the most appropriate and final orientation of the wreck, independent appraisals were conducted on both righting (parbuckling) the ship and leaving it in-situ.
- Independent advice on righting the ship was provided by TMC Marine Pty Ltd, which has international experience in vessel salvage operations (Attachment 1). A second preliminary quote was also provided by Ardent Oceania Pty Ltd (Attachment 1a).
- An additional report was prepared by s78(B)(2) further evaluating the parbuckling risks (Attachment 2).
- These reports determined that attempting to right the ship would present an unacceptable and significant level of risk to the ship's structural integrity, estimate to cost between \$6 and \$20 million and take at least 12 months to complete.
- Going further, the reports state:
  - *'There are often significant risks associated with parbuckling a vessel, and so it is typically only done in extreme circumstances, such as to eliminate a navigational hazard, salvage to recover scrap values, or body recovery.'*
  - *'It is important to note than a number of the vessels that were ultimately scrapped were originally intended to be repaired but couldn't due to parbuckling damage'; and*
  - *The unknowns of wrecks and the risks in parbuckling cannot be understated and the consequences can be extreme and could endanger the personnel and equipment involved in such an operation.*

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- As an alternative, a detailed plan has been developed by the contractor Birdon (Qld) Pty Ltd (Birdon), in consultation with the department, on the works required to make the wreck safe in its current orientation and continue to provide a world class dive experience (**Attachment 3**).
- This plan identifies it takes approximately 40 on-water days, at a cost of \$1.1 million to prepare the wreck for diving. It is considered a low risk operation.
- To further validate the viability of the wreck in its current orientation as a **safe world-class** dive site, an independent dive survey and inspection was undertaken by **(6) Personal information** a longstanding and well respected **representative of the recreational dive industry in Australia, who has dived 76 wrecks (6) Personal information** concludes "...ex-HMAS Tobruk remains a highly suitable and extremely attractive wreck dive." (**Attachment 4**).
- Based upon these independent appraisals it is deemed most appropriate for ex-HMAS Tobruk to remain on its starboard side and the dive design be reconfigured accordingly.
- With regard to funding these modifications, **sch3(7) Information subject to legal professional privilege**  
**sch3(7) Information subject to legal professional privilege**
- Birdon has confirmed it will cover the costs to reconfigure the dive design and modification works (**Attachment 6**).
- Commercial dive operators are concerned their earning and market potential will be adversely impacted by this decision to leave the vessel in-situ. While the department believes this risk to be negligible, to further alleviate concerns the department intends to:
  - waver minimum commercial operator fee requirements for the first 12 months
  - promote the wreck through a targeted dive marketing campaign.
- These initiatives can be funded from existing unspent project funds.

#### FINANCIAL IMPACTS

- The total value of the contract with Birdon is \$4.035 million (plus GST).
- Birdon has advised that its insurance is unlikely to cover these remediation works to rectify issues but, as above, has indicated it is prepared to cover the costs of reconfiguration. Hence there will be no additional cost to the department to reconfigure the dive design to suit the starboard orientation of the wreck.
- The current unallocated project fund balance is \$3.78 million.
- A \$100 000 grant for marketing ex-HMAS Tobruk dive site will be provided to Fraser Coast and Bundaberg Tourism and Events.
- Changing the minimum annual per-diver fee to actual per-diver fee for the first 12 months may result in a maximum revenue loss of \$25 600 to the department (should no divers dive the site) to the department.

#### CONSULTATION

- The four commercial dive operators issued authorities to operate on ex-HMAS Tobruk were invited to take part in a site familiarisation dive on the wreck on Saturday 7 July 2018.
- Following the dive, the preference from all operators was for the wreck to be in the upright position, however three operators said they would be able to operate on the wreck in the current orientation (**Attachment 7**).
- Departmental officers have met with representatives from BRC and FCRC on a number of occasions to discuss incoming information relevant to the ex-HMAS Tobruk. BRC and FCRC have expressed a preference for the ship to be righted.
- BRC and FCRC should be consulted about a final decision not to right the ship. The four commercial tour operators will be subsequently informed.

#### COMMUNICATIONS/MEDIA OPPORTUNITIES

- The department has prepared a media release, including dive video footage for the announcement proposed before the end of September for early October 2018.
- Prior to the announcement and in fulfilling previous department commitments, project partners intend is to share with council the independent appraisals with council prior to any public announcement.

**FUTURE STEPS**

- The contractors to reconfigure the dive design of the wreck in the current orientation.
- Marketing campaign to promote the dive site.
- Dive site open to public before Christmas 2018.

**Endorsed**

**Noted / Approved / Not Approved**

~~Jamie Merrick~~ Rob Lawrence (or Senior Director on behalf of) A/Director-General

Leeanne Enoch (or Chief of Staff on behalf of) **Minister for Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts**

<i>Minister or Director-General comments</i>

**Electorates:** Electorates of Burnett and Hervey Bay.

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