

Key Issues Brief

2.08 Passenger Transfer Vessels

Key Issues

- Almost \$3.5 million is being invested in passenger transfer vessels for Norfolk Island. The arrival of the passenger vessels, combined with the new pier at Cascade and an alternative landing option at Kingston, will allow more opportunities for cruise ship passengers to disembark and tour Norfolk Island.
- The extension and refurbishment of Cascade Pier, together with the installation of a fixed dock crane, was completed by the Australian Government in April 2018 at a cost of \$16.9 million.
- Construction of the three passenger transfer vessels commenced in January 2018. The first passenger transfer vessel will be ready for sea trials in November 2018 with a planned delivery date for all passenger transfer vessels by mid 2019 in readiness for the 2019-20 cruise ship season.
- The use of passenger transfer vessels will reduce the risks cruise lines currently face when disembarking passengers and increase the potential number of tours that local operators can conduct, supporting Norfolk Island's reputation as a desirable cruise ship destination and boosting the local economy by encouraging more cruise ships to visit.
- Roadworks and relocation of some power lines is required to allow for the passenger transfer vessels to be transferred from Cascade Pier to storage elsewhere on the Island. Design of the required works has commenced.
- The Department of Infrastructure, Regional Development and Cities (Department) is considering options for the operation and maintenance of the passenger vessels following their construction. This may include contracting with a private sector operator to maintain the vessels and increase their commercial potential.
- Dredging of Kingston Pier would enable better access for cruise ship passengers at low tides and increase the success of cruise ship visits. An initial estimate of cost for dredging works is between-\$1.2-2.4 million. This work is currently unfunded.

Background

- The Joint Standing Committee National Capital and External Territories October 2014 report into economic development on Norfolk Island recommended that the Commonwealth purchase multi-purpose barges for use on Norfolk Island in conjunction with upgrades made to the Cascade and Kingston Piers.
- In 2016 a review was undertaken by WorleyParsons and Naval Architects on the suitability of a multi-purpose barge design proposed by Carnival Cruises and the Norfolk Island Government for the transfer of cruise ship passengers and freight on Norfolk Island. In their report, WorleyParsons concluded that the proposed multi-purpose barges were not fit for purpose. The report recommended that the most cost effective solution was the procurement of specific purpose vessels, preferably less than 12 metres in length to alleviate the need for substantial road works to transport the vessels and reduce the operator qualification requirements.

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- The design of the passenger transfer vessels will allow up to 90 passengers to be transferred from a cruise ship at a time with all three vessels operating in rotation.
- The provision of passenger transfer vessels on Island will alleviate the need for cruise ships to use their lifeboats for passenger transfers and therefore limit the risk of damage to these vessels.

Sensitivities

- Norfolk Island Regional Council (NIRC) has expressed a reluctance to operate and maintain the passenger transfer vessels unless the costs are underwritten by the Commonwealth or the vessels can be proven to generate sufficient revenue to cover operating costs. The Department has commissioned modelling of the possible revenue and operating costs in order to further discuss the operating arrangement with NIRC and inform any approach to market for these services. NIRC's views are important regarding whether they would like to operate the vessels, what insurance and maintenance arrangements would be put in place and what community expectations are, such as should they be community held assets rather than put out for commercial tender.

Attachments: Nil

