

12 February 2018

Mr. Tim Pallas MP
Treasurer
Level 4, 1 Treasury Pl
East Melbourne 3002

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Cc Minister for Ports, the Hon Luke Donnellan

Dear Treasurer,

Turning on growth in Victoria's boating industry

The Victorian Boating Industry is seeking your support in increasing the funding to the boating sector from the revenue it raises for the Victorian government through its boat licensing and other financial arrangements.

The Association recently wrote to the Premier to seek a meeting with him to discuss a growth plan; a copy of the letter was forwarded to your office.

We would like to meet with you to highlight our growth plans through a proportionate funding model and, in particular, for your government's investment in our sector to be on a parity with Queensland and New South Wales, or ahead of it. We strongly believe from all the economic research and modelling that the Victorian sector can attain national leadership through your support and unlock the latent demand for boating.

The government's figures show that recreational boating in Victoria is worth \$4.5 billion per year currently to the Victorian economy. This is underpinned by 193,000 registered boat owners, 1 million boating participants annually and 17,700 FTE jobs.

However, these figures can be enhanced substantially by increasing the government's current investment of only \$3.2 million (11.6%) of the State's total \$27.7 million of annual boating fee revenue on boating infrastructure:

Table 1.0: Annual Recreational Boating Infrastructure Expenditure by Jurisdiction

Boating Infrastructure Expenditure Summary (2016/17)	
VIC	3,258,000
NSW	17,000,000
QLD	15,000,000

This low return is contrary to the Marine Safety Act 2010 (and preceding Acts of parliament, second reading speeches, etc.) which stipulate the return of regulated fee revenue to recreational boating infrastructure and volunteer marine search and rescue services.

We believe that an investment of \$20 million annually will meet the Act's requirements and turn the sector around, as well as demonstrate your government's commitment to a growth and expansion plan to supersede that of NSW and Qld. Infrastructure expenditure in these states is \$17m and \$15m annually, as highlighted in the table above. See also Table 2. 0 below, highlighting the major discrepancy and shortfall that exists between mandated and actual spend.

Table 2.0: Regulated fee revenue, appropriation and expenditure

Victorian Regulated Fee Revenue Collected** (1st July 2011–30th June 2016)	
Marine Licence revenue	\$72,626,832
Vessel Registration revenue	\$58,988,973
Total Revenue (Mandated spend)	\$131,615,805
BSFP Appropriated (Agreed Spend)	\$29,500,000
BSFP Infrastructure Category (Actual Spend)	\$14,250,000

***Between 1st July 2011 and 30th June 2016 recreational boaters paid an additional \$50 million in light trailer registration fees*

The increase in investment, which is outlined in Table 3.0 below, along with other initiatives in our plans for reviving the sector will stimulate jobs, create new industries with domestic and export potential, and get more people into important recreational and healthy boating activities.

Table 3.0: BIAV 2018 Election Policy Costing Matrix

BIAV Policy Area	Description	Cost
1. Recognising the importance of Recreational Boating	<i>Amend the Marine Safety Act 2010 to: All marine licence and vessel registration fees to be paid into a Trust Fund</i>	NA
2. Supporting Investment in Facilities	<i>Establish an investment fund for:</i>	
- Upgrade boating facilities	- <i>Efficiency/Capacity upgrades fund</i>	\$8.0 Million pa
- New Investment in New facilities	- <i>New facility fund</i>	\$4.0 Million pa
- Maintenance of facilities	- <i>Annual Maintenance fund</i>	\$3.0 Million pa
3. Supportive Management	<i>Establish a State-wide facility management agency</i>	\$1.0 Million pa
4. Investment in Safety	<i>VMSAR annual budget</i>	\$4.0 Million pa
TOTAL		\$20.0 Million pa

Our research shows that the boating manufacturing sector here is depressed; with manufacturers who were lured to Victoria for the sector's growth suffering because of poor government policy and support to get people access to the water. We know also that the significant latent demand for boating and the immense lost opportunity is due to ageing and inadequate facilities and infrastructure.

We would like to share our plans with you and constructively engage with you and your department on how financial policy can be changed that will see the growth and support of more than 1million boating participants in Victoria this year.

Kind regards



Steve Walker
CEO