



Joint BIAV & VRFish submission to the Discussion Paper Safe and Accessible Victorian Waterways

"Current governance and management arrangements for water safety and infrastructure are inconsistent and complex, primarily due to the large number of different agencies involved and their various roles and responsibilities under a variety of legislative instruments".

Source Victorian Government Discussion Paper "Safe and Accessible Victorian Waterways."

The projected doubling of the population in the central coast area of Victoria, including Port Phillip and Western Port, from **4.6 million to nearly 8 million** by 2050, places an imperative on the future planning and investment in Victoria's coastal areas to consider the environment, access to the water and the role of our coastal areas, bays and waterways in Victoria's economic and social fabric.

Source Boating Industry Association of Victoria /VRFish

In Victoria, coastal planning and inland waterways management has decision making processes involving local councils, on the coast over sixty committees of management, catchment management authorities, Parks Victoria, port authorities, regional planning authorities, regional coastal boards, community groups and the Department of Environment, Land, Water and Planning and its Ministers that all have differing interests to be reconciled.

Source Victorian Government Discussion Paper "Safe and Accessible Victorian Waterways."

Executive Summary:

The review of Victoria's coastal planning legislation, management structures, priorities and future funding under the: ***SAFE AND ACCESSIBLE VICTORIAN WATERWAYS DISCUSSION PAPER*** provides a major opportunity to restructure the current competing and confused management of Victoria's water ways.

The discussion paper itself highlights this dysfunctionality. "Current governance and management arrangements for water safety and infrastructure are inconsistent and complex, primarily due to the large number of different agencies involved and their various roles and responsibilities under a variety of legislative instruments."

The main issue that requires correction is that the capacity of public recreational boat launching facilities in Victoria is far exceeded by demand. This situation is particularly evident across Port Phillip and Westernport Bays where it has been established that only 3.5% of registered recreational boats can be accommodated at any one time.

There are two major causes of this problem:

1. The complex management structure that was put in place about two decades ago when State Government devolved responsibility for overall recreational boating strategies to a complex number of different agencies and local bodies.
2. The fact that successive governments have failed to return revenues collected from recreational boating registration and licence fees to ensure boating infrastructure and services are adequately funded.

Fixing these two major causes will solve the majority of current problems.

In Victoria, coastal planning and inland waterways management has a decision making process involving local councils, plus over sixty committees of management, catchment management authorities, Parks Victoria, port authorities, regional planning authorities, regional coastal boards, community groups and the Department of Environment, Land, Water and Planning and its Ministers.

This complex web of varying interests where accountability and performance is often not transparent results in long delays in decision making. This impacts negatively on recreational boating infrastructure and investment which could create thousands of jobs and support the Victorian Government's Employment and economic strategy. These delays also restrict the expansion of the Victorian Marine Industry, loss of jobs and billions of dollars of future Investment.

Failure to develop and fund a strategic plan for water access to cope with the demand of an expanding population and for increased water access will impact on the expansion of the boating industry in Victoria, destination boating tourism, regional and country economies.

It is important the Victorian Government move to establish a single stand-alone body to develop and implement the provision of recreational boating infrastructure which is well-resourced, funded and maintained.

Such a stand-alone body would also provide a one stop shop approach for private investment projects such as marinas and other marine tourism projects to boost the economic potential for the Victorian economy and jobs related. We suggest this should also be linked to the establishment of a "Blue Infrastructure Fund"

In addition to hypothecation¹ of boat registration and licence fees, there are also additional options available to raise funds for a **Blue Infrastructure Fund**. This fund could be applied to rectify legacy issues such as removal of toxic silt from boating areas and restoration of habitats.

The current review provides a unique and timely opportunity for political parties to develop and promote policies to ensure a vastly improved government structure and legislation to manage Victoria's waterways into the future.

¹ To pledge money by law to a specific purpose

BIAV and VRFish are committed to achieving a successful reform of this sector. We are fully committed in terms of engaging with the relevant stakeholders to ensure that the optimum model for the future management of all regional and metropolitan boating facilities. This with associated linked infrastructure and services will provide long-term benefits as a result of this timely review.

The principal reason for the review of Victorian Waterways in the discussion paper is the inability of the current governance arrangements to deliver public recreational boating infrastructure that meets demand. This demand has every potential to grow in the foreseeable future.

Furthermore, the current governance arrangements do not adequately deliver or maintain the infrastructure efficiently in line with current or projected peak demand. There is a clear case for change and this submission sets out to define what is required by users of the waterways and how best to deliver it.

A Need for Change and Restructure of Management of Victorian Waterways:

As defined in the joint BIAV & VRFish policy paper **“Implications of unmet demand for Victorian recreational boat launching” April 2014, the primary issue is the fact that boat launching capacity is nowhere near matching peak demand in Victoria.** The paper establishes that across Port Phillip and Westernport bays only **about 3.5% of registered boats** can access the two bays at any one time.

In the 2014 paper a process of investment to rectify and improve this situation was proposed. We would like to update and enhance that position in our submission as follows:

- From the present 3.5% of registered boats that are catered for across the two bays, a target of 10% capacity is adopted and implemented within 5 to 10 years. A key advantage of expressing the target in percentage terms is that it will therefore be linked to changes in boat numbers and can be checked for progress against variable conditions over time. Another advantage is that presuming that licence and registration fees are hypothecated to fund these actions, there will be a direct linkage between funding and spending. It is then a simple matter to evaluate the relative merit of projects competing to provide capacity increases across the two bays as \$ per unit of capacity.
- A similar 10% target can be adopted for all estuarine boat launching facilities outside of the two bays. These should again compete with one another on a \$ per unit capacity basis although there also needs to be an overlay to ensure that the regions are achieving equitable investments. This category cannot be compared with the two bays as these have different costs and land use pressures that place them in another cost scale.
- State wide freshwater launching facilities also need a similar target and cost per unit of capacity plus, equity need to be used to determine investment priority.
- Finally as identified in the 2014 BIAV/VRFish paper, there is a need for targeted investment in safe harbours at selected locations along Victoria's coastline to provide access to offshore waters. These new investments have a strong regional development element to them and therefore should enjoy joint funding from regional development sources as well as boat licence and registration fees. (the Warrnambool safe harbour is one example.)
- Many boaters are also fishers and are very familiar with the workings of the Recreational Fishing Licence Trust Fund which hypothecates all fishing licence fees collected and ensures that these are only used for the benefit of recreational fishing. This system has now been in place for almost 20 years and is known and trusted by Victoria's 838,000 recreational fishers. A similar scheme if implemented for boating licence and registration fees would not only be capable of delivering the foregoing points, but would also receive the strong support of Victoria's recreational boating community.

How can this be delivered?

There are several ways in which an equitable user pays model can be implemented to achieve the objectives described above. The most applicable of these appears to be the model adopted by NSW Roads & Maritime. This model gives responsibility for all aspects of Maritime to a single government entity which collects licence, registration and other related fees from commercial and recreational users

and hypothecates these for ongoing investment in services such as safety as well as infrastructure and maintenance. Arguably this is the best model that covers the entire boating infrastructure space and together with the Victorian Recreational Fishing Licence Trust fund, these are two working examples of how a successful scheme can be implemented.

Implementation of the scheme quite clearly needs to address more than just what BIAV and VRFish are promoting as described above. It also needs to consider many other issues that need to be funded and delivered as part of the whole strategy.

Key issues are:

- Marine Search & Rescue
- Dredging
- Marine Safety
- Navigation Aids
- Asset Maintenance
- Local Ports
- Private Investments in boating infrastructure.

It is felt that if all registration and licence fees are hypothecated into a single trust fund, the directives that BIAV and VRFish are promoting will deliver most if not all of these other key functions and services.

BIAV and VRFish are committed to achieving a successful reform of this sector and we are fully committed in terms of engaging with the relevant stakeholders to ensure that the optimum model results from this review.

Are users prepared to pay more?

At present, particularly given the parlous state of the boat launching infrastructure around the two bays and in some regional locations, any hint of an increase above CPI would lead to strong negative sentiment in the boating community. In part this is because many boaters are also fishers who are well aware of the way that the Recreational Fishing Licence Trust operates and they would see the imposition of an increase as totally unacceptable. Annual receipts from boating licence and registration fees are approaching \$30 million and only \$8 million is returned via the BS & FP. In addition we have estimated that up to \$2 million per annum is being paid by boaters for launching fees. Foreshore Committees, Councils and other management agencies have been forced to implement a boat launching fee collection as a means of trying to obtain funds for maintenance of boating facilities. However, collection costs are often almost as high as the funds raised so this is a very inefficient means of raising funds for this purpose. Most other States do not collect launching fees so this is yet another imposition of cost and inconvenience for Victorian boaters.

Restructure:

It is quite clear that **new legislation** is required to reorganise Victoria's coastal management arrangements in Victoria. Consideration must be given to:

1. The restructure and removal where appropriate of current agencies from the responsibility of planning, funding and managing marine infrastructure in Victoria. This would require the Government to consider a single Government entity which has the strategic, technical and commercial skills to deliver recreational boating infrastructure and services.
2. This single entity would be responsible for identification of major Government/ Private Sector Partnerships and provide a single entity for proposed recreational and commercial boating infrastructure developments and marine based tourism projects.

Funding Sources:

Despite the numerous reports and plans being devised by Coastal Councils, DWELP and a number of other authorities, the lack of existing funding resources has seen a multitude of reports that basically get shelved as there is no consistent link between policies, adequate funds, economic development and tourism.

As a result of this management structure many projects are caught in the circle of funding shortfalls and

making numerous submissions for small amounts of funds. This leads to projects facing funding uncertainty for years and worse still there is no strategic use of funds.

The major forecast population expansion in Victoria in the future demands a more strategic approach by all political parties for the future of our waterways in relation to management and funding.

This should include the commencement of a review of all potential new funding sources that need to be effectively consolidated and used strategically to maximise outcomes. Some of the following concepts we believe are important to put on the agenda for all political parties to consider in developing future policies.

These funds could be applied to rectify legacy issues such as removal of toxic silt from boating areas and restoration of habitat.

Victorian Blue Infrastructure Future Fund:

The lack of an overall vision such as recognising 'The Bays being the Blue Wedges' - a unique marine environment which provides the space, environmental uniqueness, and a major economic contribution to Victoria's economy. This in conjunction with the community social fabric needs to be addressed with a bipartisan approach by all major state government political parties to ensure a continuity between Governments on policy directives.

Currently there is a need to recognise and establish an adequate future Budget Provision for Blue Infrastructure funding for Port Phillip and Westernport Bays and other major coastal and regional waterways. The present funding is not guaranteed and can be described as a piecemeal management structure with no vision for the future.

Tolling the Blue Highway:

The increasing number of larger container vessels entering Port Phillip and Western Port Bays resulting in a large area of our waterways being reserved, provides a reasonable option of treating the right of passage as a Blue Highway which could be tolled at around \$3000 per round trip that could be added to the Blue Infrastructure Fund.

The Blue Bond:

The Victorian Government recently introduced the green bond to allow financial organisations and fund's managers to invest in environmental projects. The establishment of a 'Victorian Blue Bond' would provide a safe investment vehicle whilst also providing the opportunity to engage the community in the preservation and protection of core environmental infrastructure such as Port Phillip and Western Port Bays.

Blue Bond Philanthropic:

This vehicle would provide a tax deduction for any individual or organisation who donated funds for prescribed and approved works at local area to enhance or protect local environment or encourage marine environmental education.

Fuel Tax on Marine Fuel is 39 cents per litre:

Non highway fuel users such as farmers, miners and commercial vessels are able to claim a rebate of this fuel tax. If a similar scheme were adopted for recreational boats it could return significant funds to be applied to recreational boating services and infrastructure.

In the case of motor vehicles these fuel excise funds are directed into roads, bridges etc. In the case of the fuel excise on Marine fuel there should be an amount directed into marine infrastructure and environmental programs (191,000 craft average 30 hrs annually 15 litres per hour – 30 hours at 15litres per hour = 450 litres per annum per vessel X 39c fuel tax per litre = \$175.50 per vessel per year. Therefore 191,000 registered vessels at per vessel \$175.50 = \$33,520,500.00 at 10% = \$3,352,050 - (\$3.3million) annually.

Both BIAV and VRFish would like to commend the Victorian Government for commencing this important review and we thank you for the opportunity to provide you with our views. BIAV and VRFish are committed to achieving a successful reform of this sector so we are fully on board in terms of engaging with the relevant stakeholders to ensure that the optimum model results from the next stages of this review.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rob Loats', with a large, stylized 'L' and 'S'.

Rob Loats
Chairman
VRFISH

A handwritten signature in black ink, appearing to read 'David Heyes', with a large, stylized 'H' and 'Y'.

David Heyes
Director
Boating Industry Assoc of Victoria