



The way forward: Marine Rescue NSW

Funding volunteer marine rescue in NSW

A discussion paper

May 2010

Foreword

New South Wales has a fine tradition of volunteer marine rescue through the Royal Volunteer Coastal Patrol, the Australian Volunteer Coast Guard Association and the marine division of the Volunteer Rescue Association. In 2009, a new organisation – **Marine Rescue NSW** – was launched to bring the membership of the three organisations together into a single, coordinated service dedicated to the safety of the boating community.

This marks the start of a new era in integrated and efficient service delivery. We now need to plan for the future to ensure an efficient marine rescue service continues to keep people safe on the water. If the rate of boating growth we have experienced over the past decade continues, in 25 years' time NSW could have almost double the number of licensed boaters we have today - up from 497,000 to around 900,000.


One of the key issues now facing Marine Rescue NSW is the need to secure a sustainable funding base. Although Marine Rescue NSW, like its three predecessors, is not a State Government body, the Government contributes annual funding in recognition of the volunteers' valuable service to the boating community – and will continue to do so. However, Marine Rescue NSW faces substantial vessel replacement costs, a critical need to update radio equipment and rising operational costs, such as maintenance and fuel. Fundraising in local communities is important but it is time consuming and can divert attention from the core business of keeping boaters safe. Returns for fundraising efforts also can vary significantly across the State.

This discussion paper proposes two alternatives – maintenance of the current funding arrangements, or the introduction of a marine rescue levy on boat licences and registrations – and discusses issues around each.

We would encourage you to consider carefully the future of Marine Rescue NSW and to make a submission through the website, or in writing, by the closing date of Friday 18 June 2010.



Minister for Ports and Waterways
Paul McLeay, MP



Minister for Emergency Services
Steve Whan, MP

Introduction

In recent years volunteer marine rescue has been the subject of a number of reviews to determine whether services address the boating community's marine rescue requirements. While the primary responsibility for search and rescue lies with the NSW Police Force Marine Area Command (MAC), a substantial proportion of the calls for support are passed on to volunteer marine rescue organisations.

In 2006 NSW Police Force MAC recommended a rationalisation of the three volunteer marine rescue organisations in the interests of operational efficiency. In 2008 a review led by the Hon John Price led to the establishment a year later of Marine Rescue NSW, a new body drawing together people from the three existing volunteer marine rescue organisations – the Royal Volunteer Coastal Patrol, the Australian Volunteer Coast Guard Association and the Volunteer Rescue Association – to provide improved coordination of search and rescue, radio communications and boat safety education and training for the boating community. The review can be read by clicking *about us* on the Marine Rescue NSW website www.marinerescuensw.com.au

The purpose of this discussion paper is to canvass options for the future funding of volunteer marine rescue services in NSW and to invite public comment. It touches on the history of volunteer marine rescue, the circumstances that led to the creation of a new organisation and the opportunities for growth and renewal. It proposes two funding options for consideration: maintaining the status quo and a \$7.50 annual rescue levy.



Volunteer Marine Rescue in NSW

Volunteer marine rescue has a distinguished history in NSW. In 1937 the Volunteer Coastal Patrol (VCP) was established under the sponsorship of the Royal Australian Navy. VCP was an auxiliary service of trained yachtsmen, who, during World War II performed valuable work guarding commercial wharves, oil installations and bridges. Granted the prefix Royal in 1974, the Royal Volunteer Coastal Patrol (RVCP) has worked closely with the Water Police and NSW Maritime in search and rescue operations and education of the boating public. In 1961 a separate organisation was formed, the Australian Volunteer Coast Guard Association (AVCGA), to promote safety in the operation of small craft. It aimed to have a national focus. The AVCGA has played an important role in undertaking marine rescues, patrols, radio monitoring and training. The third marine rescue group comprised marine units affiliated with the Volunteer Rescue Association (VRA), an organisation which also operates land rescue units. These units were accredited for rescue during the 1990s.

Boaters can radio or call their local rescue unit for support for everything from an outboard that won't start, breakdowns and tows, to more serious life-threatening incidents. The NSW Police Force Marine Area Command often tasks maritime rescues in response to requests for emergency assistance and more than two-thirds of the 2526 marine search and rescue incidents in NSW waters in 2007-08 were allocated to volunteer marine rescue organisations.¹ More are undertaken but are not officially recorded.

Marine rescue organisations perform a vital role in maintaining boating safety and volunteers often put their lives on the line in atrocious sea conditions to assist others. The three groups have operated a total of 57 accredited marine rescue bases along the NSW coast but there are service gaps, duplication and overlap and never enough resources to meet the demands of boaters.



¹ State Rescue Board of NSW, *Annual Report, 2007-08*, p.18

Review of volunteer marine rescue

In August 2007, the NSW Government announced a review of the services being provided by the three organisations. That review was chaired by the Hon John Price who, in July 2008, presented a discussion paper titled *Volunteer Marine Rescue: Review of the structure, adequacy and long term viability of NSW Volunteer Marine Rescue Organisations* (the Price Report). After consulting widely, the Price Report found that the structure of the three separate groups had limitations. Although there was effective cooperation in sea rescue operations, there was some duplication of bases, overlapping radio services and “entrenched competition and... poaching of personnel...”. Moreover, while the service was adequate, future prospects were not good. Membership was ageing, recruitment stagnant and volunteer rescue organisations faced rising costs for vessels, fuel and equipment.

Support for a new organisation – Marine Rescue NSW

Ninety three percent of the 800 submissions to the Price review supported the creation of a new marine rescue group. While the majority of stakeholders supported the merger of volunteer organisations, there was resistance to any one of the established bodies taking over the others. To overcome this problem, the main conclusion of the Price Report was the establishment of a **new** organisation with membership invited from the existing three organisations.

In November 2008 the Minister for Ports and Waterways and the Minister for Emergency Services jointly announced the establishment of a new organisation, Marine Rescue NSW. A Facilitation Group, with stakeholder and NSW Government agency representation, was set up to plan the transition to the new organisation, and the Government announced its decision to provide \$3 million in start-up funding.

Marine Rescue NSW was formally launched on 1 July 2009 and became fully operational on 1 January 2010. Marine Rescue NSW now has more than 2500 members. Marine Rescue NSW is incorporated with ASIC and an interim Board of Directors has been appointed. It is led by Acting Commissioner Glenn Finniss. Under the governance model being adopted, the Commissioner will have an Advisory Committee with community, stakeholder and Government agency representation.

While some issues remain about local ownership and transfer of assets, the transition to the new organisation has been successfully managed thus far. The key remaining issue is future funding and the fairest way for boaters to help pay for the service.

Funding

The Government currently provides funding for volunteer rescue organisations to assist with the purchase of new vessels, the establishment of search and rescue centres, public education and the training of volunteers. Funding also comes from Federal and State Government grants, local Council grants, fundraising at local rescue unit level, bequests, sponsorship, benefactors, and games of chance. In 2009 Government funding amounted to \$1.39 million, in addition to a one-off \$3 million transitional funding grant.

The interim board of Marine Rescue NSW and NSW Maritime agree with the Price Report conclusion that current sources of funding are not sufficient to sustain volunteer marine rescue in NSW or, more importantly, to provide for its growth and renewal.

Marine Rescue NSW has prepared a budget under the oversight of IAB Services. The budget proposes a small Commissioner's office to oversee the administration and governance of the new organisation, the establishment of a full-coverage, border-to-border coastal VHF radio network and the progressive acquisition and replacement of 98 rescue vessels along the coast.

After reviewing this budget the Government is seeking support from the boating community for a rescue levy to be added to recreational boat driver's licence and registration fees. The funding raised through such a levy would not provide the organisation's total funding requirements, with units still encouraged to maintain strong links with their local communities through fundraising activities.

If a rescue levy was introduced all funds raised would be passed directly to Emergency Management NSW for distribution **in full** to Marine Rescue NSW. The levy would be indexed to keep pace with inflation. There would be full accountability each year for all funds raised from the rescue levy.



Two options for future funding

Two funding options are outlined for consideration. The first is to introduce a rescue levy of \$7.50 on both boat licences and boat registrations which, with current levels of funding would raise around \$6.4 million each year for rescue services; the second is to maintain the current arrangement where funding continues at around \$1.4 million.

Option 1: Introduce a marine rescue levy on both boat driver's licences and boat registrations

A \$7.50 (\$3 concession) levy on registrations & licences	<u>4,989,000</u>
Existing funding	1,390,000
Total Funding	<u>6,379,000</u>

A rescue levy would allow Marine Rescue NSW to fulfil its vision. It would provide a sustainable funding model, linked to inflation and with the potential for growth as boating becomes more popular.

Simply put, the pace at which the level of rescue services provided could be improved, new vessels acquired and radio services expanded, is directly related to funding. Marine Rescue NSW has prepared a detailed budget and NSW Maritime engaged IAB Services to assist with and oversee the budget development process.

A \$7.50 annual rescue levy on boat licences and registrations, with a \$3 levy on concession licences would raise around \$5 million in addition to the existing funding – a total of around \$6.4 million. This would ensure a secure future for Marine Rescue NSW. It would allow for priority vessel replacements and other equipment upgrades as well as the continuation of important operational, educational and training activities.

If the rescue levy is introduced, Marine Rescue NSW would immediately begin:

- A six-year procurement program to acquire 98 new rescue vessels along the coast;
- Implementing an improved VHF radio network to give border-to-border coverage – with seamless trip monitoring right along the coast;
- Improving the training and education program for boaters and volunteers; and
- A campaign to increase marine rescue volunteer numbers and improve retention rates.

NSW Maritime would provide an advance to Marine Rescue NSW to ensure urgent priorities are met now. The advance would be repaid, with nominal interest, from the levy.

Option 2: Status Quo

Maintain existing funding	<u>\$1,390,000</u>
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If existing funding is maintained without supplementation and even allowing for the efficiencies to be derived from a single integrated organisation and better targeted funding, Marine Rescue NSW would face many of the same problems as its predecessors. These include having to spend more of its time and effort in fundraising whilst not having sufficient funds to replace ageing capital equipment, maintain equipment adequately or recruit and train new members. The heavy reliance on the general public, the boating community and corporate sponsorship to meet significant capital and operational costs would have to continue. This option would also have implications for the Police and NSW Maritime who rely heavily on the cooperation and resources of volunteers, both for emergencies and for support during major aquatic events.

The Price Report found that the current level of funding was barely adequate. The report stated that issues associated with training costs, fund-raising obligations, time demands, advancing age of members, low recruitment levels, equipment costs, vessel costs and the need for electronic radio replacements is causing a contraction of the VMR services.

For 2009-10, the NSW Government allocated \$1.39 million to support existing marine rescue operations. These funds supported a range of activities including replacement vessels, search and rescue communication upgrades, competency-based training and upgrades to navigation equipment.

Under Option 2 the existing and ageing fleet would increasingly be beset with maintenance problems and become less effective in providing rescue services. Volunteers would be less attracted to joining or remaining as members and the organisation could fail.

Support for the proposal

Both the Boat Owners Association (BOA) of NSW and Boating Industry Association (BIA) urged the Price Review to make recommendations to secure a more appropriate level of funding for an integrated rescue organisation. The Price Report indicates the BOA went further to indicate their members would entertain an increase in fees. While Option 1 imposes a new cost on the boating community, NSW Maritime believes there is broad industry support for a levy to support Marine Rescue NSW (**as long as it all goes to Marine Rescue NSW**) to ensure effective, efficient and timely rescue services.

The Maritime Ministerial Advisory Council, comprising a cross section of industry and boating community representatives, recommended in February 2010 that the Government consult with the broader boating community on future funding options.

How would funding be allocated?

If Option 1 is endorsed, funds would be collected by NSW Maritime and paid in full to Emergency Management NSW (EMNSW). NSW Maritime and EMNSW would jointly oversee a funding agreement with Marine Rescue NSW. The agreement would require Marine Rescue NSW to prepare an annual budget for approval by the Minister for Emergency Services. Funding would be allocated based on a high-level formula as follows:

- 100% of the costs of the Commissioner's office
- 50% of the core operating costs of the rescue units
- 50% of the capital costs of rescue craft.

While the 50 percent formula for budget contribution would need to be capped to maintain expenditure at forecast levels there would be a review mechanism to ensure smaller rescue units, or those with limited capacity to raise funds in their local area were not unfairly disadvantaged. What this means is that the amount allocated for expenditure under the model formula would be controlled, so even if a local unit raised more funds than forecast, it may not be able to access more allocation that year.

The 50 percent contribution is intended to ensure that Marine Rescue NSW, in the tradition of its predecessors, maintains a strong connection with the community through local fundraising and sponsorship and soliciting volunteer support. It is important Marine Rescue NSW should not become, or be seen as, another arm of government.

Conclusion

Future marine rescue service delivery is dependent on securing a sustainable funding base in order to provide the services necessary to keep people safe on our waters. Services may decline if the current funding arrangements continue.

The option of a rescue levy would provide a secure future for the organisation with dramatically improved boats and other assets and a coast-wide VHF radio network.

A rescue levy on boat licences and registrations is a fair way of ensuring rescue services are efficient and ready when needed. The levy would provide certainty and viability for Marine Rescue NSW. Better boats, better radio monitoring and better training and education for boaters will mean every trip is safer. Better levels of service will be provided and Marine Rescue NSW will be seen as a dynamic organisation that people want to join.

How to make a submission

Submissions can be made

1. Through the NSW Maritime website: www.maritime.nsw.gov.au and follow the submission link from the home page.
2. By email to: communications@maritime.nsw.gov.au
3. Or in writing to:

Recreational Boating and Regional Services Division
NSW Maritime
Locked Bag 5100
Camperdown 1450

The closing date for submissions is **Friday 18 June 2010**.