



MINUTES

Meeting details			
Meeting title:	Marine Search and Rescue Project Working Group Meeting: Finance and Insurance		
Meeting date:	Tuesday, 4 October 2016	Time:	1830hrs
Location:	Teleconference		

Attendees	Title/Business area
Wes Oswin	Manager, Marine Search and Rescue Office (Chair)
Alan Hopkins	Chief Financial Officer, Victoria State Council, Coast Guard
Carlo Viti	Coast Guard
Eileen Murray	President, Southern Peninsula Rescue Squad
Adrian Jacobs	Emergency Management Victoria
Stuart Laing	Project Coordinator, Marine Search and Rescue Office

Apologies	Title/Business area
Adrian Mnew	Deputy Director, Maritime Safety Victoria, Transport Safety Victoria
Dan Knapp	Volunteer Marine Rescue - Mornington
Ben Penrose	Acting Sergeant, Victoria Water Police

AGENDA

Item	Subject	Time	Speaker/Action
1.	Opening/apologies	5 min	Wes Oswin
2.	Office of Marine Search and Rescue <ul style="list-style-type: none">Update on progress	10 min	Wes Oswin
3.	Terms of Reference <ul style="list-style-type: none">Discuss Terms of Reference	10 min	Discussion
4.	Meeting Administration <ul style="list-style-type: none">Meeting locations and times	5 min	Discussion
5.	Action Plan <ul style="list-style-type: none">Develop working plan	20 min	Discussion
6.	Closing <ul style="list-style-type: none">Summary of actions from this meeting	5 min	Wes Oswin
7.	Next scheduled meeting - TBC		

1. Welcome and apologies

The Chair welcomed members and apologies noted.

2. Office of Marine Search and Rescue – Progress update

Wes Oswin provided a progress update.

Finance and Insurance

This has been a key priority for the MSAR Office to date with tight time lines. A sustainable funding model coupled with a robust insurance scheme is a priority for the MSAR Office to deliver.

MSAR Service Provider Survey

A lot of work has gone into collating and analysing the information provided to the MSAR Office by providers and has been extremely useful in establishing a benchmark to determine a reasonable operating budget going into the future. This budget considers:

- the actual cost to run MSAR units and
- current budget pressures providers are experiencing

The information has been collated into spreadsheets and we will be referring to these within this Project Working Group at future meetings.

AGREED ACTION:

- **Once finalised, the MSAR Office will share these spreadsheets to Project Working Group members.**

2a) Insurance Options

The MSAR Office is working with the Victorian Managed Insurance Authority (VMIA) with a view of developing a centralised insurance scheme for the sector.

The VMIA and MSAR Office have virtually reached an unofficial agreement that they will be able to provide a scheme to the sector, however there are a few issues that need to be explored further, including legal and governance issues, before this moves forward.

It is anticipated that the proposed centralised insurance scheme (managed by the VMIA) will cover assets, professional indemnity and third party insurance.

The MSAR Office is looking into a number of options to fund the insurance of MSAR service providers in order to relieve this financial pressures on MSAR service providers.

Briefs will then be prepared and forwarded to the department and to the Minister seeking approval of the proposed insurance scheme.

- *Question to Wes from Alan Hopkins (Coast Guard) – Have any negotiations taken place regarding personal injury or WorkCover?*

Wes responded that this is certainly something that we would expect to be covered one way or another, but has not been discussed yet. Need to establish if the VMIA scheme will actually make the current emergency responder scheme redundant or if they will run together without overlapping. So effectively, both will co-exist or the VMIA scheme will overtake the other. This issue has been flagged but hasn't been worked out just yet.

AGREED ACTION:

- **The MSAR Office will provide communications to the Project Working Group members in the coming weeks once a proposed agreement with the VMIA has been reached.**

2b) Background information into funding options

The MSAR Office has been collating and analysing the survey data.

The Office has identified that another government department is planning to release a Regulatory Impact Statement (RIS) that consider the fees associated with recreational boat registration and licensing fees.

The MSAR Office is attempting to get a “placeholder” in the RIS for Marine Search and Rescue. A RIS is a government requirement so if this levy is considered in the future as a means to sustainably fund our sector, we need to follow this process.

Thank you to Adrian Jacobs' area at EMV for their current and ongoing efforts in this space.

2c) Stakeholder consultation

The MSAR Office has been consulting with the Boating Industry Association (BIA), Victorian Recreational Fishing (VRFish), Australian Sailing, the Ocean Racing Club of Australia (to name a few) to ascertain their opinion on the reform, as well as opportunities that might be available to help fund MSAR.

2d) Interim MSAR arrangements

The MSAR Office is almost ready to release the interim arrangements as they are still being finalised, however it was noticed that some of the details contained in the document weren't quite right.

For example, there were some references to the Australian Maritime Safety Authority (AMSA) General Safety Requirements (GSR) standard for Class 2D and 2E vessels. In consultation with Transport Safety Victoria, the MSAR Office is of the opinion that this standard is not appropriate for marine search and rescue in Victoria

Further, the MSAR Office believes that accepting the GSR as a vessel standard for inland and sheltered water MSAR vessels would be a backwards step and potentially compromise safety.

The MSAR Office will propose, through the interim arrangements, that we keep the national standard of commercial vessel requirements for Class 2C, 2D and 2E as the minimum standard for MSAR vessels in Victoria.

The MSAR Office will be putting this recommendation to members of this Project Working Group and the Reform Implementation Board to seek approval for this to be the MSAR standard rather than the GSR.

Interpretation of the AMSA Exemption 24 requirements were also incorrect and this is being updated.

AGREED ACTION:

- **The MSAR Office will endeavour to re-circulate the interim MSAR arrangements to all Project Working Groups next week.**

2e) Risk assessments

In consultation with Victoria Water Police and assistance from MSAR service providers, the MSAR Office has finalised the risk assessments that were tabled at the last Working Group.

Since then, we have been geospatially mapping those risk assessments. We now have marine incident data for the past 10 years which is now overlaid across a map of Victoria.

We have also mapped the various ranges of MSAR service providers along the Victorian coast in terms of severe, moderate and fair conditions. We also have some polygons of what we consider to be the principal recreational activity in those areas.

These maps will be particularly useful when the Risk and Capability Project Group analyses the current capabilities and identifies where our gaps are. This will form a prioritised vessel

replacement program and where our assets should be located; both in the bay and along the coast.

Our GIS consultant has almost finalised these maps and should be returned to the MSAR Office later this week.

2f) National Volunteer Marine Search and Rescue Committee meeting

We attended the National Volunteer Marine Search and Rescue Committee meeting in Sydney.

Key points of interest happening on the Committee:

- the Committee has decided to write to the CEO of AMSA to get exemption from not only the proposed levies but all fees and charges associated with the National System for all MSAR service providers
- the Committee is also seeking observer status on the Australian and New Zealand Safe Boating Education Group (ANZSBEG) as the committee believes that the volunteer MSAR service providers can play a larger role in terms of boating safety and education for recreational boaters.

2g) Marine Distress Emergency Monitoring System (MDEMS)

Kordia, in conjunction with TSV, held a consultation session on Sunday 25 September 2016. This was attended by members of Coast Guard, independent units, as well as other stakeholders from the department. The MSAR Office also attended.

Kordia provided an update of the project which is expected to go live mid-December 2016.

Two key projects groups are being formed to address some minor technical issues associated with this project as well as the development of some policies and procedures that need to be put in place to support the system.

This body of work is being coordinated by TSV and assistance will be provided by the MSAR Office and Victoria Water Police.

2h) Boating Safety and Facilities Grant Program

This program has recently opened and the MSAR Office is exploring options for the grant program. The MSAR Office wants to ensure that any supported applications align with the priorities of the reform.

The MSAR Office asks that anyone making an application to liaise with the Office first to discuss the proposal.

2i) Upcoming visits by the MSAR Office

- Coastguard "Blessing of the Fleet" on 9 October 2016 (Minister Merlino and Craig Lapsley also scheduled to attend)
- Coastguard Gippsland Squad meeting on 15 October 2016

- Port Campbell independent unit on 28 October 2016
- Coastguard Queenscliff on 8 November 2016

3. Terms of Reference

The Terms of Reference have largely been set out in the MSAR Working Group (Finance and Insurance) document overview which was emailed to all members of this Group.

MSAR Office has listed dot points in the document of what we believe are the key areas to be worked on. MSAR Office is happy to use these as the Terms of Reference or does the Group feel it necessary to expand the document out into a more formal type of Terms of Reference.

Wes ran through the key elements of the Terms of Reference with the Group.

- Comment to Wes from Carlo Viti (Coast Guard) – Haven't received specific information regarding the first dot point in the terms of reference (i.e. "From the summaries of financial information provided by service providers develop an operational cost model for MSAR services")

Wes responded that the MSAR Office will provide more details on this at future meetings.

4. Meeting Administration

The MSAR Office recognises that this Project Working Group is relatively small and members are mainly based in metropolitan Melbourne. Ideally, it would be beneficial for the Group to meet in person given the need to review a lot of information at times. The members of the Group discuss their preferences and availability.

It was agreed that the next meeting will take place on **Tuesday, 25 October 2016 at 6:30pm** and will be held at the Sandringham Coast Guard flotilla.

AGREED ACTIONS:

- **Carlo Viti (Coast Guard) will arrange for the meeting space to be available for the next meeting at the Sandringham Coast Guard facilities.**
- **Meeting invitations will be sent out to Project Working Group members by the MSAR Office in the coming week.**

5. Action Plan

The MSAR Office will begin distributing aspects of our draft operating budgets that is based on a reasonable budget for the sector and provider operating costs.

When comparing Victorian MSAR providers and those in other states, it has been identified that, typically, a reasonably sized MSAR unit with one vessel has an operating budget of around \$30K per year that is comprised of:

- administrative costs
- fuel
- training and
- other associated expenses

This figure is being used by the MSAR Office as a loose benchmark in order to start discussions. From what the MSAR Office has put together to date, the \$30K seems quite a reasonable starting figure. The MSAR Office believes \$1.9m would fund a 12-year rolling prioritised asset replacement program for the MSAR fleet in Victoria, with the remainder to fund operating costs as well as costs associated with the MSAR Office.

Adrian Jacobs and his team at EMV have been busy putting the business case together and the justifications to support this funding proposal. The draft business case including costings needs to be prepared by 2nd November 2016 with final submission due by 2nd December 2016.

EMV has lodged a Strategic Fit document to the Budget and Expenditure Review Committee (BERC) which has been accepted in principle. The MSAR Office is now required to provide a lot more detail in terms of what the budget will look like, the costing that will underpin it, and specifically, what the government is being asked to fund.

The work coming out of the Risk and Capability Project Working Group and this Working Group is crucial to ratify those costings. This will all get lodged with the business case which then goes through a number of different approval gates into early next year.

- *Question to Wes from Eileen Murray (SPRS) – Does the \$30K mentioned earlier include insurance?*

Wes advised that yes, it would include insurance. Based on the survey responses, some groups insurance is quite high while other groups insurance is quite low. This is determined by the size and the assets of each group. We also think that some groups are underinsured as well.

A loose figure of approximately \$8K per year per unit should cover reasonable insurance costs. There is a need to wait for an agreement with VMIA to determine a more definitive figure. If EMV can secure costs for funding from other means then the insurance costs won't have to come out of the future MSAR sustainable funding budget. By going through the VMIA we expect to achieve some economy of scale in terms of buying power by putting the whole sector together as well.

It should be noted that there may always be the need or desire for some fundraising across the sector but we believe that we can get up a budget that meets the needs of reasonable operating costs, provide good sustainable vessels over time as well as vehicles. The MSAR budget aims to relieve the day to day expenses of the sector.

Wes invites feedback into the budget figures to balance it out as it is a draft by the MSAR Office based on the figures we've been provided by MSAR providers.

Wes advised that the draft budget figures to date will be forwarded to members of this Project Group to review and provide feedback at the next meeting or earlier to Wes directly. Any required changes will be discussed amongst the Group before being ratified. Wes asks the Group to treat the information contained within the draft budget as strictly confidential due to sensitive nature of the information.

Wes mentioned to the Group that funding is by no means guaranteed, however the MSAR Office will make a strong case to the government to deliver a budget that adequately and sustainably funds the sector.

AGREED ACTION:

- The MSAR Office will circulate the current draft budget figures in the coming week to members of this Project Group to review and provide feedback at next meeting or earlier to Wes directly.

6. General Business

No general business items from members.

7. Next meeting

Next meeting to be held on Tuesday, 25 October 2016 at 6:30pm at Coastguard in Sandringham.

ACTIONS

No	Action to be taken	Assigned to	Due date	Status (as at meeting)
1.	MSAR Office will share collated results of the MSAR service provider survey with Group members	MSAR Office	14/10/2016	In progress
2.	MSAR Office will provide communications to Group members once a proposed agreement with the VMIA has been reached	MSAR Office	When available	In progress
3.	MSAR Office will re-circulate the interim MSAR arrangements to all Project Working Groups	MSAR Office	14/10/2016	In progress
4.	MSAR Office will send out invitations for next meeting to Group members	MSAR Office	14/10/2016	In progress
5.	Carlo Viti (Coast Guard) will arrange for the meeting space to be available for the next meeting at the Sandringham Coast Guard facilities	Carlo Viti	18/10/2016	In progress
6.	Draft budget figures to date will be forwarded to Group members for review and feedback at next meeting	MSAR Office	18/10/2016	In progress