

2015 ANNUAL REVIEW



Boating Industry Association



BOATING INDUSTRY ASSOCIATION

2015 was the year when the steady work to build a truly national industry association took two great steps forward. Firstly, we incorporated the Queensland and Northern Territory marine businesses into the BIA, joining with the existing members in New South Wales and South Australia. And secondly we appointed our first national Chief Executive Officer, to lead the BIA into a stronger future.

There has been an enormous amount of hard work from the Board and the staff to bring this about, and I want to thank them all for this. We now have a solid platform to improve our support to members, and the leadership to bring this about.

This document reports on the highlights of our activity through 2015, and as you will see, it has not all been about structure. Successful boat shows, industry training, government advocacy and member services all featured during the year. But both the members and the Board agree that there is much more that we need to be doing – a stronger voice is needed, and better training programs that will ensure the health and the growth of the industry in years to come.

Your national Board of Directors has continued to manage the affairs of the association responsibly, and the summary financial statement shows how we are investing members' funds in our national expansion. All the detail and the required financial and organisational reporting will be on-line for the Annual General Meeting in May, but this high level snap-shot has been presented so all members can see the big picture.

It is with great pleasure that I report that our progress has come about through the cross border cooperation of the members within each state, together with their directors and councillors who have embraced this positive move to nationalise. Our ultimate objective remains to assist our members prosper and efforts will be further strengthened as a result of our recent achievements.

Through the late part of 2015 and into 2016 we have seen some immediate changes for the better and this will continue moving forward. The Brisbane Boat Show is being relaunched at the state's premium show venue, and planning has commenced for the Sydney International Boat Show to return fully to Darling Harbour with the opening of the spectacular ICC-Sydney in 2017.

It is also with great pleasure that after a broad and detailed search, and interview process, the Board of Directors were able to secure the services of Howard Glenn as the National CEO. Howard comes to the BIA with excellent credentials and exceptional knowledge of the marine industry.

I commend the annual review to you, and look forward to seeing you at future events.



Alan Blake
President
Boating Industry Association

GOVERNANCE AND PEOPLE

The BIA is the voice of the recreational and light commercial marine industry, promoting safe, recreational boating as a positive and rewarding lifestyle for Australians.

The Association strives to ensure that our members' voices are heard in all relevant government, community and industry forums, to ensure any decisions that impact this lifestyle truly consider the needs of the boating community. The main objective of the BIA is to support and improve the sustainability of the recreational and light commercial marine industry.

The BIA represents an industry that generates an annual turnover of \$8 billion, exporting \$1 billion in products and services.

The Boating Industry Association is governed by a voluntary National Board chaired by Alan Blake, and supported by a professional staff, led since the end of 2015 by a national Chief Executive Officer, Howard Glenn. The full list of people engaged in the leadership of the association follows.



BOARD OF DIRECTORS (NATIONAL)

- President – Alan Blake
- Vice President – Rob Cuming
- Treasurer – Lyndon Turner
- Director – Allen Buckley
- Director – Simon Cook
- Director – Craig Evans
- Director – Michael Jarvin
- Director – Nicholas Kitchen
- Director – Nathan Nichols
- Director – Paul Phelan
- Director – Peter Tucker
- Director – Darren Vaux

STATE COUNCILORS – NSW

- Chairman – Alan Blake
- Deputy Chairman – Simon Cook
- Treasurer – Lyndon Turner
- Councilor – Alan Steber
- Councilor – Michael Jarvin

- Councilor – David Randall
- Councilor – Paul Burgess
- Councilor – Jon Hunt
- Councilor – Ken Bullen
- Councilor – Shannon Stocks
- Councilor – Terry Wise
- Councilor – Bill Breakspear

STATE COUNCILORS – SOUTH AUSTRALIA

- Chairman – Rob Cuming
- Councilor – Craig Evans
- Councilor – Allen Buckley
- Councilor – Andrew Craddock
- Councilor – Trish Flaherty
- Councilor – John Marini
- Councilor – David Binks
- Councilor – Peter Heinrich
- Councilor – Dean Forster

STATE COUNCILORS - QUEENSLAND *

- Chairman – Matthew Hodson
- Councilor – Paul Phelan
- Councilor – Nathan Nichols
- Councilor – Nicholas Kitchen
- Councilor – Andrew Fielding
- Councilor – Mark Suttle
- Councilor – Darryl Greentree
- Councilor – Ross Geurts
- Councilor – Norm Ambrose
- Councilor – Steve Sammes
- Councilor – Peter Ruhle

* Queensland Councilors are the most recently elected to coincide with the amalgamation into the National Body

STAFF

- National Chief Executive Officer – Howard Glenn
- Company Secretary – Roy Privett
- General Manager, Member Services – Nik Parker

- National Manager, Member Events & Marketing – Domenic Genua
- National Manager, Member Programs – Alan Barrett
- Financial Controller – Simon Hazelbrook
- Operations Manager – James Thompson
- Marketing & Events Coordinator – Robyn Wingrove
- Marketing & Communication Coordinator – Megan Robson
- General Manager, Houseboat Hirers – Peter Tucker
- General Manager, South Australia – George Bolton
- Member Services, East Coast – Aaron McKenna
- Education & Training Coordinator – Corrina McMillan
- Membership Support Officer – Jenny Bellaver
- Office Administration and Reception – Linda English



MEMBER EVENTS & MARKETING

2015 proved to be a year of reconciliation and renewal. All three shows provided a platform for learnings that placed the Association in a strong position to make positive steps in 2016 and for the future.

ADELAIDE BOAT SHOW

Under the guidance of local staff and guidance from Contractor Kym Jones Exhibitions, the show changed its approach to how members are engaged and assisted them in their participation at the event. Greater emphasis on promotions and delivering the event as the only “all boating” show will continue to bear fruits for the industry in the years to come.

SYDNEY INTERNATIONAL BOAT SHOW

In its second of three years at the interim venue, the event experienced a positive change with a 4% increase in visitation. Whilst still far from the numbers achieved at the old venue, lessons around transport in the first year helped instill confidence with visitors. Positive exhibitor reports together with excellent insights from the research will provide the basis for the final event at the interim venue in 2016.

BRISBANE BOAT SHOW

The event continues to be an important element of the SE Queensland’s marketing cycle. Many exhibitors reported a positive result. Construction around the venue created some localized challenges. The show was dispersed over a large footprint, with the need to install infrastructure to make the venue secure. Information gathered from the event provided the information required to lay a positive foundation for 2016.

In its various formats, during 2015 the Association was also engaged with the Sydney Trailer Boat Show, Mackay Boat Show, The Tinnie and Tackle Show and the Adelaide On-Water Boat Show.

Whilst Boat shows are the most visible of the activities conducted, the Association continued to build and develop programs to:

- Create awareness around the benefits of dealing with a BIA member.
- Promote recreational boating as a safe, environmentally sound and responsible leisure pastime for Australians.

Communication to stakeholders, both within the industry and externally, was critical to our charter and numerous mediums were used to achieve this. Internally, Logbook and E-News carried messages to our members and friends of the Association. Externally, the Association connected with the boating public through numerous means including magazines, radio, television, newspapers and our Lifestyle on-line portals.

The ultimate objective of the national marketing and events team is to assist members of the Association grow and prosper.

A small boat, possibly a speedboat or a small fishing vessel, is shown from a high angle, moving across a blue, textured surface that resembles water or a satellite view of the ocean. The boat is white with a yellow stripe and is leaving a wake. The background is a deep blue with a grainy, textured appearance.

DIVISIONS REPORT

2015

With the merger gaining momentum in 2015, increased collaboration brought a number of initiatives and member services into the spotlight.

There appears great opportunity to expand functional and beneficial programs such as Marine Card, consolidate legal documents and contracts previously offered by the state BIA's to members, and build on the consumer booking system offered by the Houseboat Hirers Division. Scoping of the projects to carry these forward will develop through 2016.

Challenges were also considered in the national context, and the most concerning of these was the state of the Vocational Education & Training (VET) system nationally. As an industry reliant on skilled Marine Mechanical and Shipwright tradesmen, the ructions in the VET sector over the past decade have begun to bite.

This year marked an upturn in demand for new apprentices and experienced tradesmen, but the pipeline for marine industry skills development is not what it was, and throughout 2015 it became clearly evident that the poor state of the VET system poses a significant impediment to the return to good health for the boating industry.

Through the Marine Industry Mechanical Repairers Association (MIMRA), an advisory committee was established to refine the national Marine Mechanical Cert III qualification to reflect modern requirements, and the Division was focused on the roll out of the consolidated NSW Motor Vehicle Repairers & Dealers Acts.

The Shipwrights & Boatbuilders Association (SBA) also kept a finger on the pulse of trade training, noting the reduced opportunity for apprentices in non-metropolitan – where the bulk of “new build” and boat manufacture is increasingly taking place around the country.

SBA member participation has been ebbing for a couple of years now, and the long-standing Divisional committee resolved to consider the appropriate packaging of BIA services to attract and retain membership from this important sector.

Dealership and Brokerage business remained a hit and miss affair through 2015, and our Trailerboat Retailers Association (TBRA) and Marine Brokers Association (MBA) both marked the lack of predictability across seasonal and consumer cycles.

Sales remain hard to come by, though the market has been found to be responsive to quality and innovation in product lines. Despite significant attrition in the sector since 2010, brokerage houses worked harder for listings than in years past, though the vendor side of the market has largely adjusted to used boat values in light of sharper pricing throughout the recreational market generally.

In the marinas sector, a multi-speed economy and state political cycles fan the winds of fortune for business health and investment. This year saw an upturn in development approvals in NSW to meet a substantially undersupplied market for boat storage, whilst elsewhere fickle economic performance dragged on demand, and policy concerns made investment decisions complex.

By no means a year to forget for our industry as we return to form, though 2015 was perhaps the strongest testament yet that we are doing business in a different environment to that of 2007, and that all facets of our industry must continue to adapt to “the new normal”.



EDUCATION & TRAINING

The Marine Card Program continued to produce strong results throughout the year with 311 new Marine Cards issued across 22 inductions in NSW and SA. Interest in the program remained high, with the redevelopment of the Marine Card website, the introduction of the Marine Card Access Management System, and the launch of the online Refresher for expired Cards.

The online Marine Card Refresher was successfully launched in March, with 187 card holders refreshing their

knowledge and updating the expiry date on their Marine Cards by the end of 2015.

The Marine Card website www.marinecard.org.au, which holds the profiles of all card holders, was extensively upgraded and relaunched in September, making it easier and quicker to update profile details and upload insurance documents.

The Marine Card Access Management System (AMS) was launched in July and is now installed in over 20 Marinas in NSW. Linked to the Marine Card website, the AMS provides a streamlined sign-in process to marine sites, and assists contractors and Marinas with compliance requirements.

Development of an online version of the Marine Card WHS General Induction is currently underway, with a view to its release mid-2016.

WATSONS BAY PILOT STATION

Equipment purchase and installation for the Pilot Station was completed in March 2015, and final construction completed in May with the addition of the new pontoon. The Pilot Station was officially opened as a Boating Safety Education Centre by Hon Duncan Gay MLC and Gabrielle Upton MP in June 2015.

By the end of 2015, 250 visitors had taken part in a range of activities at the Pilot Station, including: kayaking, power boating, lifejacket safety lessons, stand-up paddle boarding, sailing and rowing. The local Boating Safety Officer has also been a regular visitor, providing boating safety training to High School students including lessons in on-board safety equipment and how to use it.

The Pilot Station is the sixth Boat Smart Hub in NSW, providing the Marine Teachers' Association NSW Boat Smart safety program to High School Students undertaking Marine Studies.

Nautilus Marine Insurance is the Gold Sponsor of the Watsons Bay Pilot Station, Boating Safety Education Centre.

The Pilot Station has been equipped through funding by the NSW Government under the Water Safety Black Spots Fund.

BOAT SMART

The Boat Smart Program was created, and is delivered, by the Marine Teachers' Association NSW, and has been supported by the Boating Industry Association NSW & SA since its inception in 2009.

There are six Boat Smart Hubs across NSW: Ballina, Port Macquarie, Central Coast, Watsons Bay, Menai, and Port Kembla. Each hub has a core school providing safety activities and access to facilities which allow the completion of the on-water component of the Marine Studies syllabus. This also extends to other schools in the Hub's surrounding area. There are currently five core schools and around 45 satellite schools involved in the Boat Smart Program.

The Boat Smart Program has continued to deliver quality, on-water, boating safety education to youths between the ages of 15 to 18 throughout 2015, with over 740 High School students having attended water safety activities across all six hubs.

The Hubs have been actively supported by Hastings Marine, Hunts Marine, Insinc Marine, Gosford Sailing Club, Lake Illawarra Yacht Club, and Royal Motor Yacht Club Port Hacking.

Each Boat Smart Hub has been equipped through funding by the NSW Government under the Water Safety Black Spots Fund.



INDUSTRY DEVELOPMENT

Marine15, the second whole-of-industry conference and trade exhibition, was held on the Gold Coast in May 2015, attracting an audience of 450 delegates and over 50 exhibitors. As well as learning from world-class speakers presenting at the conference, delegates benefitted from valuable insights into current and future trends in the marine and wider market place, plus detailed workshop-style sessions on use of technology in the sales process, the art of upselling and understanding the manufacturer/retailer relationship, among more than 50 conference sessions over 3 days. The inaugural national marine industry golf day, welcome reception, conference gala dinner and follow-on workshops and seminars provided an outstanding opportunity for networking with industry colleagues, government agencies and other stakeholders.

COMMERCIAL VESSEL REGULATION

The Domestic Commercial Vessel National Law featured in a number of discussions with BIA members, whether these be boat manufacturers, hire boat operators, share boat operators or marina operators. The regulatory reach of the National Law was recognised as creeping beyond the original intent of the States and Commonwealth in establishing a single jurisdiction and BIA was pleased to work very constructively with AMSA to review how best to approach sectors of the industry which had never previously been considered as commercial vessel operations. AMSA's continuing streamlining process to review and update the underpinning standards of the NSCV, led to the review of a number of standards, including the hire and drive standard, general safety requirements standard, surveyor accreditation standard and the crewing and operational standards. BIA was represented at each of the reference group meetings developing new texts with good support from industry members.



INTERNATIONAL ENGAGEMENT

BIA attended the annual international industry congress to represent the associations and members at ICOMIA, alongside representatives from 25 countries. Meetings included updates on international technical standards, boating promotion, international trade, boat show management and marketing, industry stats and environmental management, including commentary on the latest initiatives to recycle frp boats. ICOMIA provides an important collective knowledge base on a wide range of issues and is recognised by several international regulatory agencies as the voice of the global boating industry. BIA has a seat on the Executive Committee, representing Australasia and SE Asia, which is currently filled by Simon Cook, CEO of leading industry insurance broker, IC Frith. Australia will host the ICOMIA Congress in 2017.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
Revenue	5,271,981	4,356,272
Other income	493,621	295,601
Total income	5,765,602	4,651,873
Cost of sales, operations, shows and promotions	(4,235,724)	(3,470,048)
Depreciation expense	(77,400)	(126,478)
Employee benefits expense	(748,711)	(889,789)
Advertising – consumer marketing	(73,597)	(105,054)
Insurance	(55,040)	(52,027)
Subscription fees	(82,233)	(90,079)
Education and training - staff	(8,359)	(562)
Other expenses	(902,383)	(399,138)
Total Expenses	(6,183,447)	(5,133,175)
Finance income		
Interest received	73,665	86,527
(Deficit)/Surplus before income tax	(344,180)	(394,775)
Income tax expense	-	-
(Deficit)/Surplus for the year	(344,180)	(394,775)
Other Comprehensive Income for the year		
Net fair value gain / (loss) on available-for-sale financial assets	24,734	67,206
Total Comprehensive Income for the year	(319,446)	(327,569)

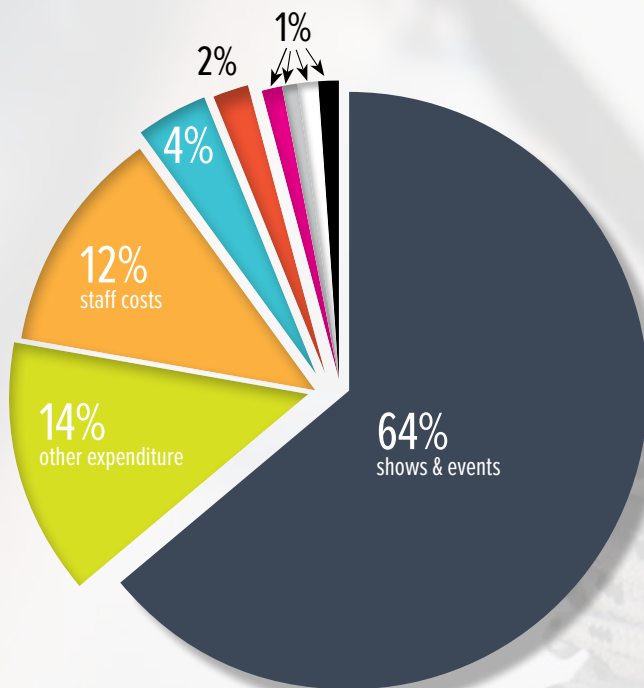
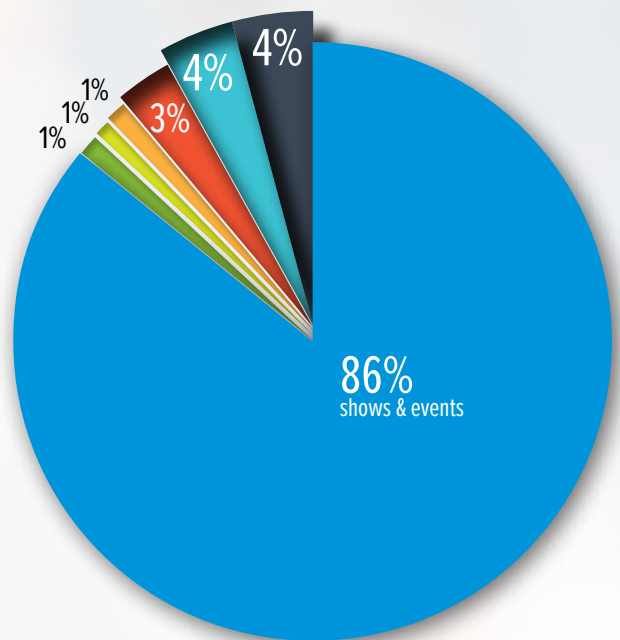


BIA NSW & SA FINANCIAL OVERVIEW – 2015

INCOME

Licence Fees	\$53,610
Education & Training	\$73,371
Rental & Office Services	\$76,194
Interest & Fund Distributions	\$150,569
Other Income	\$220,392
Membership Subscriptions	\$246,680
Shows & Events	\$5,018,451

Total Income **\$5,839,267**



EXPENDITURE

Education & Training	\$63,356
Advertising & Promotion	\$73,597
Depreciation	\$77,400
Subscriptions	\$82,232
Consultants / Projects	\$135,851
South Australia	\$236,576
Staff Costs	\$748,712
Other Expenditure	\$827,940
Shows & Events	\$3,937,783

Total Expenditure **\$6,183,447**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	2015 \$	2014 \$
ASSETS		
Current assets		
Cash and cash equivalents	2,749,834	2,988,122
Trade and other receivables	124,996	121,464
Other assets	63,466	101,573
Total current assets	2,938,296	3,211,159
Non-current assets		
Other financial assets	1,677,568	1,652,834
Property, plant and equipment	1,765,458	1,817,743
Total non-current assets	3,443,026	3,470,577
Total Assets	6,381,322	6,681,736
LIABILITIES		
Current liabilities		
Trade and other payables	388,869	392,085
Deferred income	94,828	28,646
Employee entitlements provision	98,713	121,433
Total current liabilities	582,410	542,164
Non-current liabilities		
Employee entitlements provision	160,658	171,967
Total non-current liabilities	160,658	171,967
Total Liabilities	743,068	714,131
Net assets	5,638,254	5,967,605
Members Funds		
Reserves	406,850	382,116
Accumulated Surplus	5,231,404	5,585,489
Total Members Funds	5,638,254	5,967,605





Boating Industry Association

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