



Wednesday, July 21, 2010

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Subject:
Comments on RIS "Reducing Emissions from Non – Road Spark Ignition Engines & Equipment"

To whom it may concern,

Nowra Marine & Tackle is a retailer of New & Used Boats, Motors and associated equipment in the Shoalhaven Region some 2.5hrs drive south of Sydney metro area. The business has been in continuous operation for over 30yrs and are authorized agents for Mercury & Mariner Engines, Quintrex, Bayliner, Savage, Trophy, Supra and Mobius Boats. The business employs 15 staff and operates 6 days per week.

We have reviewed the RIS dated May 2010 and whilst we are generally supportive of the initiatives of DEWHA in reducing emissions and improve air quality, we do have some reservations regarding the implementation of the regulations. These are outlined below:

Socio Economic Climate

The Shoalhaven Region has historically and continues to be one of low to medium socio economic climates. The wages and salaries of employed persons within the region are well below that of major cities and greater metropolitan regions. The region also boasts a high proportion of retirees due to the lower cost of housing.

The related disposable income availability returns a lower value in realized funds to purchase, operate and maintain luxury/pastime pursuits. This directly prohibits the additional expense associated with higher cost of Direct Injected or EFI Four stroke motors.

On completion of the warranty period on a new motor purchase our customers will generally opt to undertake servicing of the motors at home, again to aid in offsetting the cost of workshop servicing. New technology Direct Injected and Four Stroke motors require a higher level of skill, technological expertise and equipment and prohibits the owner from completing these services, therefore adding an additional financial burden to the owners.

Boat Manufacture Cost Increase

The additional costs incurred with the additional weight requirements of low emission motors will need to be passed on to our customers. This will result in our clients either opting for lower cost 2nd hand boats or being forced to reduce the horsepower to when upgrading boats thus totally negating the effectiveness of the RIS proposed model. Less horsepower results in greater throttle use in an subsequently more fuel used and would offset any benefit of the lower emissions.

Any reduction in motor horsepower will have a negative effect with regard to safety on board, particularly in bar crossings and at times of heightened danger.

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Additional Time = Cost Benefit

By allowing additional time to phase in the proposed regulations, the Australian market will ultimately self convert to the lower emission motors, thus improving the demand for the newer technology and directly resulting in lower wholesale prices from increased production in offshore manufacturing plants.

The increased import volume will inevitably improve the cost factor and result in the low emission motors being more cost effective purchases for our clients.

Economic Times in Australia

Australia, like many other countries has been hit hard by the Global Financial Crises of 2009. This has proven to reduce the available funds for leisure activities in an already stressed market.

Lack of public consultation

While it is appreciated that we in the industry have been offered an opportunity to provide this feedback, it would be seen negatively by the public that another impost has been put to the actual user/operator without public consultation. This type of action without consultation has proved historically to provide a catalyst for voters to opt for a change of government.

Conclusion

1. Customers will opt to retain their old technology motors due to the higher cost of upgrading
2. Customers will be forced to make cost saving decisions which will be detrimental to the safety of the skipper and passengers
3. Business opportunities will be reduced thus reducing growth in the marine industry
4. Cost benefit will be negated through higher fuel usage by smaller motors
5. Negative government sentiment through lack of public consultation

We consider that the planned 2012 implementation of the proposed regulations will negatively effect our customers, our business profits and ultimately our ability to employ staff at current levels.

We urge the Department of Environment, Water, Heritage and the Arts to reconsider the time frame set out in the RIS as provided in May 2010.

Yours Sincerely,

Dave Blackman
Nowra Marine & Tackle