

Canadian Boaters Alliance (Ontario)

Presentation to the Panel on the Future of the Trent- Severn Waterway

September 13, 2007. – Keswick, Ontario

Introduction

The Canadian Boater's Alliance (formerly Ontario Boating Forum) is an advocacy group looking out for the rights of recreational boaters across Canada. We work with other user groups, government agencies including Canada Coast Guard, Parks Canada, Ministry of Natural Resources and local municipalities. We believe in taking a positive approach, dialogue to find common ground and recommending solutions as opposed to a confrontational approach or bitch & complain approach which never solves anything.

My Background (Ernie Williams)

- Have been a recreational boater for over 35 years and currently own a 32 foot Carver and it is moored at Honey Harbour, Ontario. We started into boating with a 14' runabout with a 50 HP.
- I am president of the Ontario division of the CBA and am also a member of the Canadian Power & Sail Squadron
- Over the years I have made numerous trips on the TSW including all locks from Georgian Bay to Trenton both camping by tent and on my current live aboard vessel.
- I have been a member of the Trent Waterway Advisory Committee for the last 7 years and will continue once this committee is re-enacted. Needless to say I have a personal passion for the TSW and the utmost respect for the TSW staff who I have worked with including the lock staff.

The Panel Itself!

I have full confidence that all of you are committed to making the TSW work but the fact that no one from the recreational boating industry was included in the panel indicates a problem and a lack of understanding by the minister as to what the TSW is all about. EG: You could not do a study on "Safety in the Air" and exclude pilots and air traffic controllers yet the minister (John Baird) has excluded the entire marine industry, case in point – if there were no boats there would be no TSW and all the related economic benefits. When you see 200 or 300 people at a lock they are there to see boats locking through, nothing else. These people will eat at a local restaurant, stay at a local hotel, shop in gift shop or visit another local attraction. Take away the boats and forget about these tourists, they will be somewhere else.

Mission Statement

Any organization both public and private cannot function properly without one. Both management and staff can never fully serve their customer base without one.

Mission Statement for the Trent Waterway for 2008 and Beyond

1. The TSW is in the business of locking and moving recreational vessels, rental vessels, and tour boats over the various lakes, rivers and elevations from Trenton to Georgian Bay. This includes operation of the locks and maintaining aids to navigation along the TSW to insure safe passage.
2. Maintain adequate water levels for vessels and protecting the shoreline, power generation and ensuring safe environmental practices.
3. Offer value added services such as overnight mooring; generate revenue from power generation, water lot leases and other user groups to contribute to the costs of management and operations.

THAT IS IT! FOCUS ON THESE 3 PRIORITIES "EVERYTHING ELSE WILL FALL IN PLACE"

Identifying Current Problems

Current Management of the TSW

1. Parks Canada is not the place for the TSW as it is overshadowed by high profile parks such as Banff and even the Rideau Canal System which is right in our National Capital's back yard.
2. Reporting into the Ministry of the Environment is a conflict in itself as environmental bureaucracy and restrictions have drained finances and resources that could be used to improve services and fund infrastructure. The TSW's only responsibility should be to ensure its staff use environmentally friendly products and be environmentally conscious in the performance of their duties. Having to have staff on the payroll whose job it is to manage endangered species and wild life is not the responsibility of the TSW. The TSW has been around for over 100 years and any damage or changes to the environment have corrected themselves long ago.
3. All water based parks due to their uniqueness and different customer base must come under a separate management structure.
4. We believe there are too many agencies involved in the management of the TSW making it impossible for management & staff to do their jobs effectively
5. The superintendent is preoccupied with lobbying for funding, answering to environmental and other special interest groups and government agencies. This does not leave him time to run the day to day operations of the TSW.

6. There is a lack of private sector (businesses along the TSW) involvement and input into the management of the TSW.
7. The TSW advisory committee which I have the privilege of belonging to is a balanced committee representing all public, private sectors and TSW user groups including First Nations. The group is very energetic, knowledgeable and offer many great ideas and solutions to TSW issues. The problem is the committee is not privy to sufficient information and its decisions and recommendations were not binding. The members are volunteers and receive no compensation other than mileage to attend meetings. At present the TSW Advisory Committee has been suspended pending the current panel's findings and recommendations.
8. In respect to labour relations, it must be made clear to both management and staff (unionized workers) that good customer relations and service, making the boater's experience more enjoyable will directly affect their future job security. Declining use and increased operating costs will result in layoffs and pressure to consider privatization & outsourcing.

Key Issues We Are Here To Deal with Today

1. An aging TSW that requires major infrastructure funding to insure the system runs properly and safely with minimal interruptions, especially during the peak season.
2. Declining use as a result of changing customer demographics and a failure by the TSW to meet the needs of today's boater. The TSW must realize there are competitors after the same boater's dollar. You have other canal systems(EG; Erie & Wellend), Georgian Bay, North Chanel, Thousand Islands and the State of Michigan with over 120 municipal marinas subsidized through gas taxes collected from the sale of petroleum products at marinas.
3. A lack of cooperation between the Federal & Provincial Governments, local municipalities and private sector businesses. All benefit economically from the TSW.
4. Finding a new management structure that will work for the TSW.

Solutions to Consider!

Moving the TSW to Canada Coast Guard, Fisheries & Oceans or structure as a crown corporation with an independent management team and budget.

It is must realized the TSW can never make a profit based solely on revenue (lock & user fees) versus direct expenses. The true profit is the economic spin offs in terms of public and private sector jobs, millions of dollars in tax revenue from both sales taxes, gas taxes, business taxes, municipal taxes and personal income taxes.

New Management Structure

The TSW needs to hire a CEO with extensive experience in tourism, marketing, public relations with private sector experience and some knowledge of the public sector. It is time to hire someone from outside the TSW with fresh ideas, no personal or business connection to the current TSW management or staff. This person must be capable of bringing all parties together to follow the mission statement of the TSW.

The superintendent should be focused on the day to day operations including staffing and efficient use of resources and outsourcing of work where private sector business can provide better value.

The management team should be compensated based on performance and traffic volumes generated over the season.

An incentive plan for the staff based on ideas and suggestions that improve performance, save money and generate new revenue should also be considered. In other words we want both management & staff to take an ownership role.

An advisory group similar to the current TSW advisory committee would act as a board of directors and approve or make recommendations to the CEO. They would be compensated based on a per day fee similar to current panel on the future of the TSW.

Funding

It is essential that proper funding be provided and secured while the Federal Government is running large surplus budgets.

Two areas of funding are needed,

1. Funding to replace aging equipment and infrastructure
2. Funding to improve and add value added services and conveniences that will make the TSW more attractive and competitive when competing against other marine attractions. This also includes an advertising and promotional budget.

The Canadian Boater's Alliance are opposed to any new user fees or annual licensing system to fund the TSW as it has been proven in the past that the costs of collecting & administration wipes out any net revenue gain. EG: Federal Gun Registry. Also many added user fees for things like fishing & hunting licenses do not guarantee that money is reinvested and can end up in general revenues.

The CBA believe with the current federal surplus expected to be in excess of 10 billion dollars the Feds could easily provide 50 – 75 million dollars needed for infrastructure funding. This requires the Minister and all MPs along the TSW to lobby the PMO's office and sell the economic benefits and return on investment the Federal Government will

earn. This will also earn a lot of political good will as it shows the people of Ontario that the federal government is willing to invest in a major tourist attraction and a piece of Ontario's heritage.

It should also be noted that the Province of Ontario is a major economic benefactor of the TSW but spends little or nothing on recreational boating or helping to fund or promote the TSW. Did you know the province spends millions of dollars funding our Snowmobile Trail System to promote winter tourism but nothing on boating that generates far more economic benefit during our spring and summer seasons. The province receives millions from taxes collected from the sale of marine fuel and there is no mechanism in place to see that this money is reinvested in recreational boating, same situation with federal taxes. It is our belief that the province should at least contribute to the advertising budget of the TSW and subsidising fees and promotions. Again we need a spirit of cooperation between the Feds and the province when it comes to the TSW.

Long Term Funding (See attached handout re: Michigan Harbour Funding)

We need to adapt the same funding program that is in place in the state of Michigan. The State of Michigan inaugurated its Great Lakes Program in 1947 which essentially insures all gas taxes collected at Marinas in the State of Michigan must be reinvested in boating infrastructure. It's the law! Here in Canada, specifically we need both provincial and federal politicians on board to insure gas taxes collected at marinas are reinvested in boating infrastructure namely the TSW and Aids to Navigation (our bouyage system). The CBA will work with Ontario politicians and other user groups to lobby for this. Just to note both the province and the feds are now investing a portion of gas taxes collected on the roads back into public transit, all we ask is for the same when it comes to marine fuel and boating infrastructure.

Day to Day Operations of the TSW

1. Less administrative staff and more staff deployed to the locks.
2. Lock hours need to be reviewed and increased to former levels. We also believe a system of staggered hours based on demand and traffic should be considered. EG: High volume locks are open longer hours and a series of 4 or 5 locks together should be cut back as it takes at least 2 – 3 hours to go through all 5 so an hour either way will not make a difference. Also note most boaters on vacation are looking for a spot to tie up for the night around 6 o'clock so an hour either way is not critical. It is most critical to boaters who live or have cottages along the TSW.
3. Maintaining Aids To Navigation – The CCG has downloaded the maintenance of many Aids that are not even on the TSW route and in some cases over 20 miles

away. EG: Holland River & Cooks Bay. The CCG should compensate the TSW or take back the maintenance of these Aids. It should also be noted that the TSW is not open after dark and funding of lit Aids along the TSW should be the responsibility of CCG, not the TSW.

4. Selling Passes at Locks, This takes a lot of the staff's time and in many cases delays the lock while customers have to leave their boats and go to the office and pay. Passes should be available to purchase through "Service Canada" or on line. They could be sold through local Chambers of Commerce as well. A discount could be offered for advance purchases which would free up staff time at each lock.

Upgrading Of Services and Conveniences

This is necessary to attract more recreational boaters/tourists and to compete with other canal systems and bodies of water that want to attract the same boaters. As mentioned previously the TSW has aggressive competitors fighting for the same customer.

Conveniences Needed

1. More overnight slips at popular locks EG : Bobcaygen, Fenelon Falls
2. Hydro outlets – minimize use of onboard & portable generators cutting down on air & noise pollution. It should be noted that boaters will pay an added fee for this service. Note that hydro is readily available on other competitive water ways/lakes.
3. Showers & fresh water – this reduces the amount of grey water from boats.

Changing Demographics

The TSW needs to realize that they have to cater to an aging customer base (baby boomers) that have more discretionary income and will demand more for their dollar. As this group ages they will need more assistance and demand more conveniences that your competitors will be happy to offer.

Also note the average size of boats has increased from 1986 to 2006 by 10 feet to an average of 30 – 32 feet and are 2-4 feet wider. These vessels have the same live aboard features as homes and cottages including TV, full kitchens, AC, computers. Even internet services are now offered at marinas.

Atomization of Remaining Locks!

Given the costs of labour and impending labour shortages in the future the TSW needs to budget for the full atomization of the remainder of manual locks. People want to move through faster and this could compensate for reduced hours of operation. This would really help where there are a series of 5 locks in a row. This atomization process

stopped in the early 70s. Even though the TSW is deemed an historic site this would not alter the basic operation or appearance of the locks and we must look to the future. Also consider that as more people retire the traffic in June & September will also increase at a time when no summer students are available.

Promoting and advertising the Trent Severn Waterway

With funding in place this will be a major part of building traffic and increasing use. This is a job that needs to be done by professionals and not done in house. The new CEO will need to choose an outside advertising agency that specializes in promoting tourist attractions and attracting new users. Major sales promotions and incentives will also need to be part of this campaign.

Another major issue in promoting the TSW is to include private sector marinas and business along the TSW. Private marinas along the TSW must look at the TSW as a partner, not a competitor. Boaters moor overnight at a lock by choice, not price, they want that unique experience of staying at the lock with other boaters they have met travelling through. It is up to private sector marinas to provide incentives for boaters to stay at their locations.

As part of promoting and working with the TSW private sector businesses must be allowed to promote & advertise at local locks. A perfect example is the space for brochures you see in every hotel lobby. The TSW's agency should also be selling space in TSW publications to local businesses.

Other Issues Regarding Promotion

The Parks Canada booth at the Toronto Boats show is outdated and does not sell the benefits of vacationing on the TSW. This needs a major facelift and the TSW should have a stand alone booth and not be participating as part of Parks Canada.

"The TSW needs its own identity and branding."

Sales Promotions & Fees

The Panel needs to review the cost of collecting fees and decide if the costs are worth it or if there should be alternative funding to replace fees. There is no guarantee that traffic will increase substantially if all fees are removed.

There are 2 markets,

1. The captive market – people who have boats moored on the TSW and have to buy a season's pass regardless of the fee and lock hours. These people must be treated just as fairly as vacationing boaters and given value for their money. This market also includes houseboat rentals and tour boats.
2. The vacationing boater – This boater chooses to go on the TSW and has alternatives. This is the customer who will spend a few hundred dollars per day and the longer they are on the TSW the more money they will spend. The TSW needs to offer incentives based on the number of days travelled and the amount of locks covered. The greater the distance and more locks covered a bigger rebate on your fee.

Consider more options for boaters other than season or 6 day passes. Most people vacation by the week. Consider 10, 14 or 20 day passes. Also boaters should be allowed to carry over unused days for at least 2 seasons. Currently with a 6 day pass you cannot carryover unused days and I have personally experienced unused days on 3 or 4 passes over the years. This is a common complaint, if fees go up the next year, the boater would have to pay the difference.

There should also be incentives to encourage boaters to vacation in off peak periods such as June and September. Complimentary 6 or 10 day passes with strict date limitations should be considered. Retired boaters and those without school aged children are a great target market. Again the economic benefit is the money these boaters spend each day on the TSW.

Conclusion

On behalf of the CBA we appreciate having the opportunity to address the panel. We do not have all the answers and in some cases raising questions is the best way to identify problems. We know you have heard from many other user groups and individuals and will have a lot of data and input to sort through. We also do not have to sell you on the economic benefits to the economy and I am sure that other groups have provided specific numbers.

The main point we want to get across is the TSW must be treated as a stand alone entity and must have its own brand identity when promoting itself to the public. Again, as mentioned numerous times in my presentation you have competitors after the same customer.

We look forward to your report to the minister.

Ernie Williams – Canadian Boaters Alliance - Ontario

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