



WILL AUSTRALIA EXTEND SUPERYACHTS' ELIGIBILITY FOR 'TEMPORARY LICENCES' BEYOND 2021 TO FACILITATE GROWTH IN THE SECTOR

- The regulatory barriers faced by foreign flagged superyachts to charter in Australia has been identified as the most significant impediment to the growth of the sector in Australia.
- In contrast, more accommodating legislative regimes in neighbouring countries such as New Zealand and Fiji resulted in increased numbers of vessel visitation and the average stay.
- The Federal government's attempt to reform the cabotage legislation in order to, among other things, facilitate the growth of the superyacht sector by relaxing some of the existing constraints was blocked by the Senate where it does hold a majority.
- In December 2019, as an interim solution, the Special Recreational Vessels Act (SRV Act) was passed which allows superyacht owners to apply for a licence ('temporary licence') that enables them to engage in coastal trading in Australia over a 12-month period.
- Under the SRV Act, special recreational vessel is defined as a vessel that:
 - a) is designed to be used wholly or primarily for recreational or sporting activities; and
 - b) is over 24 metres in length; and
 - c) is not used wholly or primarily for carrying cargo.





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- In most instances, the issuance of a temporary licence will remove the risk of a vessel being deemed imported by Australian Customs (and be subject to 10 percent import GST (Goods and Services Tax), or the need to be imported in order to be available for charter – they will be treated by Australian Customs as international commercial vessels rather than recreational vessels.
- In addition, foreign crew will be eligible for the Maritime Crew Visa for periods where the vessel is involved in the carriage of passengers for reward.
- The intervention of the COVID pandemic has prevented the benefits of the SRV Act being tested.
- However, the Act contains a sunset provision which has the effect that it is "repealed immediately after the end of 30 June 2021". This was a necessary compromise to get the Act passed by the Senate.
- Whilst the Government hopes to reform Australia's cabotage legislation generally in 2021, the current composition of the Senate makes an extension of the SRV Act beyond 30 June 2021 the more likely outcome in the immediate future.

