

# POLICY STATEMENT

## TOURISM OPERATIONS ON PUBLIC LAND



### BACKGROUND

- The tourism industry is a key contributor to Victoria's wealth, supporting an estimated 184,800 jobs and accounting for approximately \$15.8 billion of the State's economy (Tourism Satellite Account 2007-2008, Nov. 2009)
- In 2003, the Minister for Environment established a review of the licensing system to advise on any changes required to support a viable nature-based tourism industry on public land. The Policy Statement: *Licensing System for Tour Operators and Activity Providers on Public Land in Victoria* released in May 2008, announced intended changes to the licensing system, including proposed changes to licence terms as part of a broader plan to coordinate policy, planning, sustainable development and marketing of nature-based tourism in Victoria. The Policy Statement took stakeholder submissions into account and provides an action plan for the future.
- The Nature-Based Tourism Strategy was released in September 2008, with the vision that "Victoria will be recognised as the leading sustainable nature-based tourism destination in Australia renowned for its diverse and accessible natural attractions". A key direction of the Strategy was to create an 'enabling environment' to attract tourism investment, with one initiative being to create a sustainable model for private investment into public land infrastructure.
- The Crown Land Acts Amendment (Lease and Licence Terms) Act 2009 has increased the maximum lease term available for major projects on Crown land from 21 years to 65 years, providing business investors and tourism operators with greater certainty and the Government with an opportunity to prioritise infrastructure development, particularly in regional Victoria.
- This Act also introduced a uniform licensing regime for commercial tour operators and activity providers on public land. These amendments will become operational upon proclamation. Proclamation can only occur once regulations have been prepared to prescribe licence fees and a Regulatory Impact Statement (RIS) is undertaken. It is anticipated that the RIS public consultation process will be completed by December 2010 and that the new fees will come into effect in July 2011.

### KEY ISSUES

- The direction of Victoria's Nature-based Tourism Strategy can only be fully realised with the development of a supportive framework / partnership between industry and government. The facilitation of commercially viable and innovative tourism businesses within or adjacent to areas of natural significance, must be a guiding principle of the relationship between government and industry.

This principle must overarch nature-based tourism investment generally, as well as the implementation of tour operator licence reforms and the RIS public consultations that aim to inform the implementation process.

- Observations by industry and experience of some tourism operators indicate a conflict between the intent of the Nature-based Tourism Strategy and the operational policies of Parks Victoria. This situation has become particularly evident following the removal of entry fees to certain National Parks in April 2010.
- As evidenced by the increase in lease terms for major projects on Crown land, long-term secure tenure on public land is vital to encourage private sector investment in tourism asset. Similarly, the relationship between operator and land manager is also fundamental to the long-term success of any tourism business operating on public land.
- Provision of visitor services and infrastructure in National Parks is necessary to boost yield and increase the competitiveness of Victoria's tourism industry. This represents an opportunity for partnership between the government and the private sector that can deliver strong commercial outcomes through increased visitor satisfaction and visitation.
- Following the lengthy consultations undertaken to formulate the 2008 policy statement, significant delays in the implementation of the review of the licence fee structure are of great concern to the industry. In particular, the current slow progress on the RIS process is frustrating attempts by industry to realise the direction of Victoria's Nature-based Tourism Strategy.

## **POLICY POSITION**

- If the intent of Government is to support commercially sustainable tourism operators on public land, Parks Victoria and other Government agencies must develop, communicate and consistently implement operational policy that reflect the intent of the Nature-based Tourism Strategy.
- Government must, as a matter of urgency, expedite the review of Tour Operator Licence fees. The industry still awaits implementation of the proposed increase in licence terms to 10 years for eligible operators. It also welcomes efforts by the government to simplify the re-application process for 10 year licenses and thus facilitate continuity of business and reduce red tape.
- Whilst there is now legislation to facilitate long term tenure on public lands, it is vital that Government maintain with operators a relationship that is commercially realistic, cognisant of the terms of any lease agreement and framed against prevailing economic and market conditions.
- Any licensing system and all operational management policies established by Government or Government agencies in relation to tourism businesses operating on public land must be framed in a way that encourages and facilitates commercially sustainable tourism businesses. This includes the treatment of licences as a business asset and the transferability of licences in a commercially realistic manner.
- Full implementation of direction of Victoria's Nature-based Tourism Strategy must take place as a matter of urgency. Further delays in any aspect of the licensing system, license fee review or uncertainty with the regarding the operational policies will significantly weaken the precept of releasing the full potential of Victoria's Nature-based Tourism Strategy.