



Public Land Tour Operator & Activity Provider Licence Reforms

Why a 10 year Licence Term is Preferred

Since 2003, Tourism Alliance Victoria has been at the forefront of pushing licence reforms for its 119 member businesses affected by this issue.

Tourism Businesses utilising Public Land have been vocal in their support of 10 year licence terms. The following outlines why a 10 year licence term is preferred.

Commercial terms will be more competitive

The commercial world for finance, vehicle loans, business development loans are more familiar with longer business terms, **a 10 year licence generates greater confidence in the future of the business** and has the capacity to offer more competitive options for the business.

In regional Victoria the vast majority of Licence Holders are small businesses. **Improved access to investment funds** will add to the quality of the visitor experience

A better equation for investment

For marine businesses there is considerable capital investment required to **ensure quality and safety for the visitor**. For Victoria to continue to encourage these visitor experiences a 10 year licence term is essential. It should be noted that a number of these businesses are currently operating on two year terms in a tendered activity.

International Tourism requires longer planning cycles

Seventy percent (70%) of future tourism industry growth is forecast to come from international markets. It is widely accepted that **international markets can take between 3 and 5 years to build**. International buyers can brochure product up to two years in advance. If the business does not have a licence within that period they may be reluctant to include it within their program.

In the context of a competitive market a 10 year licence will offer **greater confidence from international buyers** and assist in strengthening Victoria's market position.

Small Business Growth and Innovation

Having a 10 year window **enables a small business to try new innovations** and to reap the benefits within one licence cycle. A 10 year cycle offers a longer

planning and development period rather than a business cycle which is dominated by worrying about the re-allocation of the licence and placing many business plans on hold.

Tourism is a very dynamic industry with visitors looking for ever changing and new experiences. Government is fulfilling its role in ensuring a stable base upon which small businesses throughout Victoria can adjust and build their businesses future success.

Tourism is highly competitive. **Investment, innovation and product renewal will only be possible through the greater surety and confidence created by licence terms.**

TIMELINE

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- ◆ In June **2003**, the Minister for Environment met with Victorian Tourism Operators Association (now Tourism Alliance Victoria), DSE & PV
→ DSE would lead a review of the licensing system with Parks Victoria
- ◆ In January 2004, Minister endorsed a reform agenda
→ 'the nine point plan'.
- ◆ Tourism Alliance consults with members and submits a position paper to DSE July 2005.
- ◆ DSE Directions Paper released February 2006.
- ◆ Tourism Alliance consults with members on the Directions Paper and submits a position paper to DSE April 2006.

Industry Target

Industry Recommendations in response to the Directions Paper be adopted by Government.

Reforms to be implemented in the first session of Parliament 2007.

Copies of submissions can be view at www.tourismalliance.com.au