

Fee Regulations

Public Land Tour Operator Licence Reform Project

This document sets the scene for prescribing fees via regulation for tour operator licences issued under the; *Crown Land (Reserves) Act 1978, Forests Act 1958, National Parks Act 1975, Lands Act 1958, and Wildlife Act 1975*

Background

In 2003, the then Minister for Environment established a review of the tour operator licensing system in Victoria to establish whether any changes were required to support a viable nature-based tourism industry on Crown land.

Key issues which emerged from that review were:

- licences were not granted for sufficient duration
- the need to clarify who required a licence
- complicated licence fee structure
- unclear reporting requirements.

To analyse and elaborate on these, an issues paper was released in 2004; '*Reforms to Public Land Tour Operator Licensing – Current Situation, Issues and Policy Proposals*' and targeted stakeholder engagement was undertaken in 2005.

In 2006, a Directions Paper, *Public Land Tour Operator and Activity Provider Licence Reform Project* was presented for public comment and over 80 submissions were received.

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 which included providing for licence terms of up to 10 years.

The Nature-Based Tourism Strategy was released in September 2008 and advocated legislative amendments to improve the tour operator licensing system as part of a broader plan to coordinate policy, planning, sustainable development and marketing of nature-based tourism in Victoria.

Questions and Answers

Where are we up to with Tour Operator Licence Reform?

In July 2009 the *Crown Land Acts Amendment (Lease and Licence Terms) Act 2009* introduced a uniform licensing regime for commercial tour operators and activity providers on public land by amending the *Crown Land (Reserves) Act 1978, Forests Act 1958, National Parks Act 1975, Lands Act 1958, and Wildlife Act 1975*

Under the Acts (as amended), it will be an offence to conduct an organised tour or recreational activity for profit on Crown land without holding a valid tour operator licence. The fee for a tour operator licence must be set through a Regulatory Impact Statement (RIS) process.

The licensing regime cannot become operational until licence fees are prescribed in regulation.

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What is a Regulatory Impact Statement (RIS)?

A RIS is an administrative process which requires government to explain the reasons for regulatory intervention (in this case prescribing fees through regulation) and assess whether the proposed regulatory measure is justified. An important part of this involves calculating the administrative burden that the regulation will have on stakeholders and minimising this burden as far as practical.

According to the *Victorian Guide to Regulation*, the purpose of a RIS is

“to ensure that: regulation is only implemented when there is a justified need; only the most efficient forms of regulation are adopted; and there is an adequate level of public consultation in the development of regulatory measures.”

The RIS process requires a mandatory public consultation period during which the RIS and proposed regulations will be made available to stakeholders for comment.

RISs are independently assessed by the Victorian Competition and Efficiency Commission (VCEC).

For more information on the RIS process visit the VCEC’s website at www.vcec.vic.gov.au.

Why is government proposing to charge a fee for tour operator licences?

Licence fees are required for two broad reasons;

To recognise the value of access to Crown land

Crown land is an important asset which is held in trust for the Victorian community. Where Crown land is used by private entities to generate revenue, for example by conducting tour activities for financial reward, the community expects a fair return for the use of the Crown asset.

To improve cost recovery for licensing administration

The Tour Operator Management System (TOMS) which is operated by Parks Victoria currently operates at approximately 30% cost recovery. It is important that entities who utilise TOMS pay a fair proportion of the cost of providing that service.

Why are we developing regulations to set new fees? We've been through this process already via public consultation for the licence reform project.

The RIS process will build on the analysis of fee data and stakeholder consultation undertaken to prepare the policy statement; *Licensing System for Tour Operators and Activity Providers on Public Land in Victoria* (2008). The RIS process will test assumptions of fee data made at that time and assess the impact of any fee increase on stakeholders.

What information will be used to calculate the new tour operator licence fees under the RIS process?

The regulations will prescribe fees for tour operator licences for one year, three years and 10 years

During preparation of the RIS, a range of data will be used to calculate appropriate fees including;

- how much it costs to administer the Tour Operator Management System
- the regulatory costs of the new regulations including financial costs and compliance costs
- the administrative burden (cost) of the new regulations on stakeholders (for example the costs of record keeping and reporting)

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During the course of the RIS you may be contacted and asked to provide information to help determine the impact of the regulations on your business for example,

- how long it takes you to fill out trip return forms
- how long it takes you to fill out a licence application
- what proportion of the cost of your business is spent on regulatory compliance

This information will help government determine appropriate fees for tour operator licences.

When will the RIS be finished and when will the new licensing system be operational?

Timing of the tour operator licence fee RIS will be impacted by;

- the severity of the 2009/10 fire season and its impact on tour operators and DSE and PV staff
- the availability of stakeholders for consultation during the peak season (from November to after Easter)

For this reason it is not anticipated that the RIS process will be completed until December 2010.

The new tour operator licensing framework does not come into effect until the RIS is finalised.

Next steps in the RIS process

The Department of Sustainability and Environment is currently preparing the RIS, which includes identifying the issues, objectives, costs and benefits of options, and a competition assessment.

Stakeholders will be notified and invited to engage about the proposed RIS in early 2010.

If you would like to stay informed about the RIS process between now and the formal stakeholder engagement, please email licence.reforms@dse.vic.gov.au and nominate your preferred method of communication – email, phone or letter.

For further information please contact:

- Dom Passaportis at DSE on (03) 9637 9654, regarding the tour operator licence fee regulations or regulatory impact statement (RIS) process
- Helen Gwilliam at DSE on (03) 9637 8766 regarding the tour operator licence reform project.
- Mardi Jurica at Parks Victoria on (03) 8627 4841 regarding operation of the Tour Operator Management System.

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