LICENSING NATURE TOURISM OPERATORS IN WESTERN AUSTRALIA
Business impediments and recommendations

Sabrina Genter, Jo Ann Beckwith and David Annandale
TEAMICAL REPORTS

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ABSTRACT

In Western Australia, licensing is utilised by State Government agencies to regulate the behaviour of the nature tourism industry from a number of perspectives. These include maintenance of conservation values and public safety. In addition to its intended benefits, licensing can impose costs on those regulated. This study examined whether, in addition to its intended benefits, the State’s current licensing framework is creating impediments or costs for commercial nature tourism operators. Interviews with licensing agency representatives and a review of the literature pointed to licensing compliance costs as the main complaint from nature tour operators. Sources of dissatisfaction included the need for multiple licences from multiple agencies, licence security, added paperwork, and non-transferability of some types of licences. It is recommended that agencies review their licensing frameworks with an aim to reducing compliance costs. Further, traditional command and control approaches to licensing should be complemented by collaborative resource management approaches. This would necessitate a different type of relationship between licensing agencies and the nature tourism industry; one of partnership, greater two-way communication, and shared perspectives. Conservation-based licensing agencies are encouraged to take a proactive stance in determining new and refined mechanisms (including licensing) to manage the increased pressure that growing visitor numbers will impose. This will require managing impacts on both conservation values and visitor experience. Agency decisions must be transparent, address multiple objectives, and be supported by good science.

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SUMMARY

Western Australia’s wildlife and natural areas attract tourists from around the world. Nature tourism is one of the fastest growing sectors of the tourism industry and makes a significant contribution to the State’s economy. In Australia and around the world there are examples of nature tourism contributing to the establishment of protected natural areas and the funding of resource management, but there is an inherent tension between nature conservation and tourism. Tour operators require access to areas of high conservation value to provide their customers with the ‘nature’ experiences they seek. Yet, as tourist numbers increase, so does the pressure on the same ecological assets that attracted the visitors. Left unmanaged the value of both the ecological resources and the tourist experience can be diminished.

In Western Australia the responsibility for managing wildlife and natural areas for current and future generations belongs to several state government agencies. To manage the impact of nature tourism activities, these agencies rely on licensing or similar systems to control and monitor access to and use of natural areas by commercial tour operators. Tour operators may also be required to obtain licences from other state agencies regarding the safety aspects of their operations. Five state government agencies administer licensing programs from which tourism operators may be required to obtain a licence. It is not uncommon for commercial nature tourism operators to require licences from three or more of these agencies.

Study Objectives

In recent years, licensing agencies have observed some frustration on the part of commercial tourism operators towards the licensing process and administering agencies. Licensing agencies, particularly those with a prominent land or water conservation role, are questioning whether the existing licensing framework in Western Australia is creating unnecessary impediments to successful commercial nature tourism operations. This study reviews the current nature tourism licensing framework in Western Australia to:

- Determine whether the licensing framework creates impediments to tour operator businesses; and
- Identify means of mitigating impediments and improving the effectiveness of the framework.

Methods

The primary sources of study data were a literature review and interviews with licensing agency staff and selected industry operators. The literature review was used to review previous studies, identify potential business impediments resulting from tourism licensing, and develop an overview of the tourism licensing framework in Western Australia.

Interviews were conducted with representatives of each of the five Western Australian government agencies involved in licensing nature tourism operators. A small number of nature tourism operators were also interviewed. The face to face interviews provided the researchers with a deeper understanding of the nature and underlying causes of the perceived impediments to commercial nature tourism operations attributed to the licensing framework.

The report concludes with an analysis of the impediments to businesses associated with licensing and recommendations for mitigation.

Key Findings

The current state licensing framework for nature tour operators involves multiple state government agencies, each with its own set of licensing procedures because no two agency mandates are exactly alike. Due to the fragmented nature of the current licensing system, compliance costs on those being regulated are higher than in a centralised system. While the compliance costs associated with each individual licence may be small, cumulatively they are an impediment to business especially when added to the other forms of regulatory burden impacting businesses. Many tour operators are small businesses. This may contribute to some tour operators not appreciating the reasons behind the licensing framework or having the business skills to efficiently address compliance issues such as government regulation. To the extent possible, licensing agencies should reduce compliance costs for tour operators while not undermining their agency objectives (e.g., resource management).

Although many of the licensing agencies have embraced collaborative resource management approaches in other parts of their organisations, the licensing functions have retained the older command and control management model. A shift in approach from a one-way communication dominated model to a more collaborative problem solving approach would result in tour operators being treated more as partners rather than adversaries or problem makers. A requirement of collaborative approaches is that all parties (e.g., agencies and tour operators) are willing to invest the time and energy required to build and maintain strong working
relationships. Some of the licensing agencies have already started to embrace two-way communication and relationship building with nature tour operators. Further development of these agency-industry relationships is encouraged.

Nature tourism will only continue to grow in the coming years. This will be accompanied by an increased onus on meeting multiple planning objectives (e.g., a thriving nature tourism industry and conservation of ecological values) and developing mutually acceptable outcomes. Over time, greater focus on agency-industry relationship building will aid in breaking down barriers arising from any negative stereotypes held by either agencies or operators. It would assist in assuring that both the licensing agency and the tour operator industry understand the different costs and benefits that licensing creates for each party.

The frustrations of the nature tourism industry with state licensing requirements, while present, have not reached high levels. An issue with greater potential for conflict in the longer term is tourist access to areas with high conservation values. Licensing will no doubt play an important role in ensuring that increased pressure from nature tourism does not unacceptably impact on conservation values. If conflict is to be minimised, decisions regarding the number of licences and how they will be allocated will need to be transparent, equitable, and supported by good science. Western Australia has the opportunity to be proactive and learn from other jurisdictions in Australia and overseas that are already addressing similar challenges.

**Future Actions**

**Recommendation 1: Review of compliance costs**
Licensing agencies should, individually and collectively, review their licensing frameworks with an eye to reducing the compliance costs for tour operators. Possible options include: rolling renewals, longer licence length tied to professional performance and creation of a single source of information on licensing requirements.

**Recommendation 2: Higher levels of engagement**
Licensing agencies are encouraged to complement their traditional command and control approaches with collaborative planning initiatives where appropriate. Agencies should engage in joint planning with the commercial nature tourism sector and foster partnerships.

**Recommendation 3: Breaking down stereotypes**
Conservation based agencies should continue in their efforts to foster an organisational culture which values the potential benefits of nature tourism in conservation efforts.

**Recommendation 4: Develop informal working relationships**
Agencies should encourage greater informal inter-agency communication at the mid-management level along the lines of what DEC and Tourism Western Australia has achieved with their district and regional office managers.

**Recommendation 5: Better use of IT to reduce information costs**
Better use of IT resources could reduce information costs for tour operators. Development of a multi-agency web-based decision support system (DSS) for tour operator licensing would provide a virtual (one) stop (shop) for licensing information and applications.

**Recommendation 6: Proactive stance on allocation issues**
The current level of tour operator dissatisfaction with the compliance costs imposed by the existing licensing frameworks is small relative to the potential for conflict as visitor numbers grow and with it pressure from tour operators and non-commercial users for access to areas of high conservation value.

**Recommendation 7: Use accreditation cautiously**
Agencies should make certain that recommended accreditation programs match the management objectives of the licensing agencies. In other words, the accreditation programs need to target the behaviours that the licensing agency is concerned about with tour operators. All agency endorsed accreditation programs should include a formal third party assessment function to determine effectiveness and compliance.

**Recommendation 8: Develop operator incentives**
Agencies should explore various forms of incentives to achieve best environmental practice, when activities are of low risk.

**Recommendation 9: Develop business management training programs**
Agencies, including DEC, the DoF, the DPI, Tourism Western Australia and the Small Business Development Corporation (SBDC), should look at developing training programs that are tailored to the needs to tour operators, including tour licensing requirements and business operations.
Worldwide nature tourism is one of the fastest growing sub-sectors of the tourism industry (Newsome et al. 2002; Wegner et al. 2004). For the purposes of this study, nature tourism is inclusive of nature based tourism, wildlife tourism, ecotourism and adventure tourism. In Australia, the tourism sector is valued at over $70 billion per annum (Department of Industry, Tourism and Resources 2003; Wegner et al. 2004); a significant portion of which revolves around wildlife, natural areas and their associated attractions (Hughes & Carlsen 2004).

While there are many examples of nature tourism making a positive contribution to nature conservation (e.g., Solomon 1998), there is also an inherent tension between the two. Access to areas of high conservation is essential for tour operators who seek to provide their customers with a ‘nature’ experience. However, as tourist numbers increase so do the pressures on these high conservation areas. If these pressures are left unmanaged the natural resources and the tourist experience can be diminished.

The wildlife and natural areas which attract tourism are often managed, in part or whole, by state government conservation agencies. As a result these agencies have become key players in the management of tourism. Licensing is the primary mechanism employed to manage commercial tourism so as to maintain the conservation values of natural areas. Licensing systems enable agencies to monitor the access to and use of natural areas by commercial tour operators.

Those operators whose tour activities are associated with natural areas are required to maintain a licence, often times more than one, to operate in natural areas managed by State and Commonwealth agencies. The licences may come from a number of different agencies. In Western Australia, five state government agencies administer licensing programs from which tour operators may be required to obtain licences in order to operate in natural areas or interact with wildlife:

- the Department of Environment and Conservation (DEC)\(^1\),
- the Department of Fisheries (DoF),
- the Department of Planning and Infrastructure (DPI),
- the Swan River Trust (SRT), and
- the Rottnest Island Authority (RIA).

The need to apply for and renew licences from multiple agencies has resulted in reports of operator frustration towards the licensing process and administering agencies. Much of this frustration has been attributed to: perceived insecurity of licences, paperwork required for application and renewal of licences, and lack of transferability of some forms of licences (Chapter 4). As a result some tour operators view the licensing agencies as a business impediment rather than a facilitator of good business.

This has led State licensing agencies involved in land and water conservation to ask whether the existing licensing framework in Western Australia is an impediment to successful commercial tourism operations. This study reviewed the current nature tourism licensing framework in Western Australia to:

- Determine whether the licensing framework creates impediments to tour operator businesses; and
- Identify means of mitigating any impediments and improving the effectiveness of the framework.

\(^1\) The Department of Conservation and Land Management (CALM) and the Department of Environment (DoE) amalgamated in July 2006 to form the Department of Environment and Conservation (DEC).
Chapter 2

METHODOLOGY

The study contained three main components: a literature review, interviews with licensing agency staff and several industry operators and analysis of licensing impediments.

Academic and grey literature, as well as existing legislation and policies, provided a source of secondary data. The literature review was used to identify past studies on business impediments and tourism industry concerns regarding tourism licensing. It also provided an overview of the licensing framework in Western Australia, including existing legislation, regulation and policy.

Primary data was collected through interviews with representatives of each of the five Western Australia government agencies involved in licensing nature tourism operators (i.e. DEC, DoF, DPI, SRT, and RIA). Interviews were also conducted with representatives of Tourism Western Australia and the Department of Sport and Recreation (DSR). Both government agencies have strong ties to the tourism industry including adventure tourism. Finally, interviews were conducted with Tourism Council Western Australia (the tourism peak body) and several charter boat operators. A total of 12 interviews were conducted (Appendix A).

The stakeholder interviews provided the researchers with a deeper understanding of the nature and underlying causes of business impediments attributed to the licensing framework. The face-to-face interviews followed a semi-structured format through the use of an interview guide (Fontana & Frey 2000) (Appendix B). The semi-structured format encouraged consistency in data collection across interviews while allowing interviewees the opportunity to raise additional issues of interest. Due to limited availability, two respondents were interviewed via telephone.

During the interviews detailed notes were collected by the researchers. The hand written notes were typed up in an expanded note format. The duration of the interviews ranged from 40 minutes to 1.5 hours. A coding process was used to organise the interview data and identify themes. The interview notes were reviewed multiple times to ensure the accuracy of the coding.
Chapter 3

LITERATURE REVIEW

The literature review revealed a surprisingly small number of domestic and/or international studies focusing on the relationship between the nature tourism industry and the government agencies that regulate their activities, specifically on government implemented regulations. For the purposes of this study, nature tourism is inclusive of nature-based tourism, wildlife tourism, ecotourism and adventure tourism.

McKercher and Robbins (1998) conducted an Australia-wide study of nature-based tour operators. They found that operators were frustrated by the time and financial costs of complying with bureaucracies including: increasing government restrictions in the form of regulations and licensing, continuous changes in government regulations, the real costs added by government regulation to tour prices, and perceived collusion between government and industry bodies when restricting access to protected areas.

Similar frustrations were expressed in studies conducted in Western Australia (Tour Operators Fishing Working Group 1998; Carlsen 2003; Hughes & Carlsen 2004; Tourism Western Australia 2004), Victoria (Department of Sustainability and Environment (DSE) 2004) and Queensland (Tourism in Protected Areas Working Group 2004), Australia wide (Department of Industry, Tourism and Resources (DoITR) 2003) and British Columbia, Canada. Many of the studies were undertaken in conjunction with government agencies who were looking to improve their existing management systems and move toward an ‘efficient, effective and equitable system of sustainable tourism management in protected areas’ (Tourism in Protected Areas Working Group 2004: 2).

Many of the operator frustrations were directed at the licensing systems used by various government agencies to manage the tourism activities. These frustrations were most frequently a result of:

- Licensing procedures, e.g., excessive paperwork, inflexible.
- Licensing inconsistencies across the various agency licensing systems.
- Absence in considering commercial realities.
- Lack of perceived licence security - length of licence and transferability.
- Inadequate levels of professionalism.
- Insufficient rewards for ‘good behaviour’.
- Lack of enforcement and compliance.

Many operators appeared to agree that ‘licensing helps to minimise impacts and regulate operator behaviour’ (Hughes & Carlsen 2004: 7), however, they indicated frustration with the costs of complying with the licensing standards. As such many indicated a need to improve the existing systems and commonly offered ways of doing so.

Licensing Procedures

Many operators recommended streamlining the licensing application and renewal process. This meant not only shortening the application turn around times but decreasing the paperwork associated with an application, to save operators both time and money (i.e., compliance costs). In addition, there was a perceived need for clearer guidance on the existing licensing procedures. Several operators noted the difficulty in getting into the tourism industry, in part because it was difficult to determine what type of licensing was needed and where to obtain the appropriate applications (DSE 2004).

In several studies a ‘one stop shop’ was recommended (Carlsen 2003; DSE 2004). A ‘one stop shop’ provides centralised administration of the licensing process but operational matters are still managed by individual contact offices (DSE 2004).

Licensing Inconsistencies

Several of the studies identified that operators were frustrated with inconsistencies between agency licensing systems (DSE 2004; Tourism Western Australia 2004), including fees. In Victoria, operators complained about there being no clear rationale for the current fee structure (DSE 2004).

Also inconsistent were the standards applied to licenced vs. non-licenced operators. For example, Parks Victoria only requires a licence for those activities that occur on their land, however, many of these same activities also occur off their land, e.g. abseiling. For those activities that occur off their land, operators do not need to be licenced and hence do not need to abide by the same standards as those who are licensed. A similar situation exists in Western Australia. To address this issue Sport and Recreation Victoria is currently encouraging those who are not licensed to adhere to the industry endorsed Adventure Activity Standards (DSE
2003). Unfortunately, many operators believed that the identified inconsistencies were likely to persist as agencies were not seen (by operators) to be communicating with one another.

In the reviewed jurisdictions, a single operator typically needs several licences, this also led to frustration. Operators were often unsure why so many agencies (and licences) were needed in what was seen by many operators as a process that should require a single licence (Carlsen 2003; Hughes & Carlsen 2004).

Commercial Realities

Several studies identified that operators were frustrated because agencies did not recognise the ‘commercial realities’ of tourism (Carlsen 2003; DSE 2004; Tourism WA 2004). In the case of Western Australia, a number of operators were frustrated because DEC’s licence approval was reliant solely on environmental impact (Carlsen 2003). It was identified that in several cases an area may be able to sustain more operators based on environmental criteria than are economically sustainable (Carlsen 2003). In such situations it was argued that DEC should also consider the economic viability of the operators when setting the number of available licences (e.g., setting the number of E-Class licences to be granted by DEC, see Chapter 4).

In Victoria, ‘commercial realities’ were also identified as an issue of concern (DSE 2004). In response the Victorian DSE recommended providing predictable management to tour operators. This includes the provision of consistent licensing guidelines and procedures and the establishment of time lines for issuing and renewing licences to cut down on the amount of time involved (DSE 2004).

This reflects a difference in operational philosophies between the agencies and the tour operators. Many of the agencies operate within a conservation framework, as they are legally responsible for conserving protected areas; while operators approach tourism from a business perspective, as they operate within the confines of market forces, seeking to produce a profit (Hughes & Carlsen 2004).

To gain a better understanding of this business perspective, the Department of Environment and Conservation (formerly CALM) sponsored a business based study to review the length of licences and determine their impact on business success. A study by Quartermain et al. (2005) found that both ‘T’ Class and ‘E’ Class licences, the two licences issued by DEC, did not have significant negative impacts on the ability of businesses to be successful. The current system and length of licensing was deemed generally effective in facilitating business enterprises.

However, the study looked at a single licensing system, rather than the cumulative impacts (e.g., compliance costs) which result from the need to obtain multiple licences. These cumulative impacts appear to be one of the primary causes of much of the operator felt frustration.

In addition, the licensing aspect is only one component to look at when determining business ‘successes’. There are a number of characteristics that make the Australian nature tourism industry vulnerable to success; Australian nature tourism businesses are typically small and run by operators with no formal business or tourism industry training (McKercher and Robbins 1998). As a result, many operators will fail and those that do survive are often only ‘marginally viable’ (McKercher & Robbins 1998) maintaining a ‘survival mentality’; this often comes at a cost to the business (Department of Industry, Tourism and Resources (DoITR 2003).

The primary reasons for failure were a lack of knowledge and/or understanding of the following: business planning, financial management, marketing, product development, appropriate pricing, customer service, the role of government, day to day management skills and the natural environment (McKercher & Robbins 1998). To tackle these problems, training and education were identified as a potential response (Tour Operators Fishing Group 1998).

Such training is needed not only for established operators but also ‘new’ operators. ‘New’ operators often do not anticipate the difficulties of maintaining a profitable business (McKercher & Robbins 1998). One operator commented that ‘ecotourism is to the nineties what restaurants were to the eighties – everyone thinks they can do it’ (McKercher & Robbins 1998: 173).

However, nature tourism operators need to not only understand the ‘business’ side of their operations but also the nature side of their tours. At present there is little scientific training currently being undertaken by the industry (Tour Operators Fishing Group 1998); however, operators have indicated a desire to receive science (e.g., species identification, ecology), management and tourism training (Tour Operators Fishing Group 1998).

Although training was desired, other studies (DoITR 2003) indicated that many operators have little time to dedicate to further understanding the natural environment; rather much of their time is spent maintaining the viability of their business (DoITR 2003). This may mean that undertaking accreditation and meeting ‘industry codes of practice’ fails to the bottom of their list of ‘things to do’.

Although training can help improve a business there are still several aspects of the industry that affect operators but lie outside their control. These include: bureaucratic processes (e.g., permit application), length of permits/licences, and quality control (e.g., a park closure, park infrastructure) (Department of Industry, Tourism and Resources 2003). These are all areas where government agencies can help operators.
Licence Security

Business security for many operators is linked to licence security. To provide greater security many operators would like for all licences to be transferable (Carlsen 2003; DSE 2004; Tourism in Protected Areas Working Group Report 2004) and/or have the duration of licences lengthened. Operators often believed that the licence duration was too short (DSE 2004); Queensland (Tourism in Protected Areas Working Group 2004) explored this concern and decided to develop a rolling licence system (see Chapter 5) to address the issue of licence duration. Tour operators also believed that without the ability to transfer a licence when selling an operation, there was little incentive to improve their operation, this was particularly apparent in Western Australia. Providing greater security was seen by operators as a way to generate greater investment in the industry and would make it easier to borrow funding from financial institutions (Carlsen 2003).

Professionalism – Tour Industry

Several studies identified professionalism in the tour industry as an issue of concern (Tour Operators Fishing Working Group 1998; Carlsen 2003; DSE 2004). For example, the Western Australia Tour Operators Fishing Working Group (1998) identified concerns about service; there was concern that poor service standards could negatively affect the industry’s image. The Working Group suggested that operators be encouraged to have a client focus and provide services that meet customer expectations through development of industry codes of conduct.

Accreditation has also been recommended in Western Australia (Tour Operators Fishing Working Group 1998; Carlsen 2003) to improve existing levels of professionalism. Operators typically thought that in order to gain repeat users and a solid reputation to increase the number of ‘new’ visitors, all those involved in the industry needed to maintain a high level of professionalism and performance. (Tour Operators Fishing Working Group 1998).

To address these needs several jurisdictions have implemented incentives to encourage operators to take up accreditation. Accreditation is seen by government as a means of encouraging improvements in industry performance and the professionalism, whereby operators must meet established standards in their operations. For example, Parks Victoria has introduced a three year permit, versus the standard one year permit, for accredited operators. This is similar to the DEC process, which offers a three or five year licence depending on the level of accreditation.

Although it appears that both government and industry are in favour of using accreditation systems to improve professionalism the results of the Victorian system have indicated little success. In 1996, Victoria implemented reforms, one of which was an introduction of a three year (vs. one year) licence for operators who became accredited. Of the 220 licensed operators, only 50 have some form of recognised accreditation (DSE 2004).

Several operators in Western Australia (Carlsen 2003) noted that accreditation creates too much paperwork (more than necessary) and that the standards established by the accreditors do not take into account local industry needs (e.g., area specific standards). It was also noted that accreditation does not take into account the ‘good work’ that is already being done, especially where such work is not included in the accreditation standards (Carlsen 2003). Hence some appeared to be reluctant to take up accreditation.

Professionalism – Agencies

Professionalism however, was not only an issue for the Western Australia tourism industry, several operators also expressed concern about the professionalism within the agencies (Carlsen 2003). Some felt that agency staff were uninformed about the areas they managed, others found staff to be aggressive and intimidating, and others felt that many staff members held a negative outlook on tourism, primarily because they were not trained to understand the industry. This perception is consistent with Eagles’ (2001) study of international tourism trends which reported that many employees of conservation based agencies do not have professional expertise in leisure pricing policy, tourism economics, marketing, tourism management, social statistics, service quality or leisure study. This is not surprising as conservation based agencies (e.g., DEC) have traditionally selected staff trained in science and conservation disciplines rather than in tourism-based disciplines.

However, not only do agencies and operators have a stake in improved performance but so do insurance providers (DSE 2004). Public liability insurance issues have had a significant impact on the nature tourism industry (DSE 2004).

Rewards

The lack of rewards in the existing systems was of concern to operators (Carlsen 2003; Tourism in Protected Areas Working Group 2004). In a Western Australian study, a number of operators noted concern over a lack of rewards for a ‘job well done’ and a lack of flexibility in the existing licensing system to reward operators
Business impediments and recommendations

Carlsen (2003).

Moving away from overly prescriptive systems and towards performance-based systems can provide flexibility and effective management outcomes (DoITR 2003). Performance-based standards identify performance expectations or information on how tasks should be carried out when conducting a tour. For example, DEC expects operators to be ‘positive, courteous and friendly’, to provide ‘competent and efficient assistance’ and to provide ‘timely and accurate information’ to their clients (CALM 2004).

The current overly prescriptive systems do little to encourage operators to meet these standards or to improve performance (Tourism in Protected Areas Working Group 2004). For example, in Queensland the current system penalties, such as fines and loss of permit, exist for breaching the conditions of a licence, however, there is not recourse for protected area managers to revoke a permit based on performance only on issues of resource sustainability (Tourism in Protected Areas Working Group 2004).

One jurisdiction where that is being proactive and using a performance based system is the Great Barrier Reef Marine Park Authority (GBRMPA). GBRMPA has extended its permits from six to 15 years to reward operators who become certified under the EcoCertification Program; meaning that the operators achieve high environmental standards and quality service.

Enforcement

In order to encourage improved performance operators also need to be confident that existing regulations will be enforced. There are two components to enforcement: ensuring those who by law need a licence have one and ensuring licensed operators comply with the conditions of their licence (DSE 2004). If operators are not monitored and the law enforced, a licence runs the risk of being of little value (Tourism Alliance Victoria 2005). However, from an agency perspective enforcement is resource intensive; this is problematic for agencies already spread thin in terms of budget and staff time.

In light of this, in 2001 Parks Victoria proposed a demerit system for offenders. The demerit points act as an enforcement mechanism; licensed operators can accrue points under a number of State Acts. The points remain on record for two years. Operators are able to request a review of any points received. These points come under consideration when an operator applies for a licence renewal (Parks Victoria n.d.).

Improved Communication

Many operators saw a need for agencies to communicate better with each other and with operators (Tour Operators Fishing Working Group 1998). A few operators saw the best form of communication would come from a ‘whole of government’ approach (Tour Operators Fishing Working Group 1998); ‘[i]f the industry is to be managed effectively and efficiently, it is necessary for these agencies [referring to DoF, DEC and DPI] to have a close working relationship’ (Tour Operators Fishing Working Group 1998: 6). To this end, the Tour Operators Fishing Working Group recommended the development of a MOU between the applicable agencies so that efforts were coordinated in a cooperative manner.

It was recommended that government agencies work towards improving relationships with operators (DoITR 2003; Tourism in Protected Areas Working Group 2004). In part developing such relationships requires improved means of communication. Committees were not viewed as the answer for all agency-operator interaction. Committees often do not provide a mechanism for all voices to be heard; often meaning that the smallest business owners (the ones experiencing the most difficulty) may not be heard (DoITR 2003).

Improving communication and operator-agency relationships was favoured by many Western Australian operators (Carlsen 2003). Several operators noted that they had a lot to offer agency staff, in terms of local and industry knowledge (Carlsen 2003).

Developing Partnerships

The Department of Industry, Tourism and Resources (2003) identified a number of partnerships that have led to positive outcomes for operators, agencies and conservation values. For example, in the Franklin-Gordon Wild Rivers National Park a working partnership has developed between the Tasmanian Parks and Wildlife Service (TPWS) and the World Heritage Cruises, a family owned business that operates on the Gordon River. In the 1980s and 1990s cruise ships travelled along the Gordon River at speeds of up to 25 knots, the boats created high backwash leading to erosion on the river banks (DoITR 2003). Both TPWS and boat operators acknowledged that strict environmental requirements were needed in order to prevent long-term damage to both the environment and the tourism industry.

The result has been licence agreements between TPWS and operators, including World Heritage Cruises. Under the licence agreements the operators pay a fee based on the amount of time their boats spend in the world heritage area. TPWS and the operators also work together to provide visitor services, such as walkways and jetties. In the end, it was a win-win situation for all involved. The arrangement has provided environmental conservation and facilitated tourism (DoITR 2003).
Chapter 4

WESTERN AUSTRALIAN LICENSING FRAMEWORK

In Western Australia there are a number of agencies involved in the licensing of tour operators: the DEC, the DoF, the SRT, the RIA, and the DPI. The DEC and the DoF are the primary conservation agencies charged with maintaining the conservation values of the land and water within Western Australia. The SRT and the RIA are also involved in conservation but manage geographically distinct and limited resources. The last agency, the DPI, does not have a conservation component in their legislative mandate.

The following provides an overview of the Western Australia tour operator licensing framework, more detailed information is provided in Appendix C.

Department of Environment and Conservation Licensing

The DEC has two key roles in tourism management. First, the Department is responsible for managing land, which under the Conservation and Land Management Act 1984 (WA) (CALM Act) includes terrestrial and marine areas. The second role sets the context in which these land and water resources are managed. The DEC is charged with conserving and preserving the fauna and flora of Western Australia and maintaining biodiversity, as derived from the CALM Act and the Wildlife Conservation Act 1950 (WA) (WC Act).

DEC uses a licensing system to manage and monitor commercial land uses so that they are ecologically sustainable and equitably balanced (a balance of the conservation and commercial uses). Tourism licences aid in meeting the rising demand for high quality services on T managed areas, while ensuring that financial contributions from tourism help the Department meet the costs of managing the natural resource (CALM 2004). A Commercial Operator’s Licence is required for any commercial activity on land and water managed by the DEC. The agency uses a two-class licence system – ‘T’ Class licences and ‘E’ Class licences.

The ‘T’ Class licence is a general use licence. The majority of tour operators apply for this licence when planning to access protected areas managed by DEC. They are classified as unrestricted, meaning that an unlimited number of licences are available for application. The ‘T’ Class licence must be renewed annually, unless specified levels of accreditation are achieved. If accreditation is achieved the licence expires after a period of either three or five years, depending on the level of accreditation. Examples of T Class licences include safari tours, guided walks and general snorkel/dive charters.

‘T’ Class licences are not transferable. If an operator chooses to sell their business the new operator must apply for a new ‘T’ Class licence. It has been government policy not to allow DEC licences to be transferable so as to avoid the problems experienced in the taxi licensing sector in Western Australia. Problems of latency (i.e. having a licence but not using it) and high premiums (i.e. high purchase prices due to limited number of licences for sale) necessitated the Western Australian government going through a costly process of buying back taxi licences in order to improve service.

The DEC has taken steps to improve the turn around time of ‘T’ Class licence applications. Under the previous system, the licence application was sent to each applicable body for approval (e.g., District offices, the Minister, the Conservation Commission and/or the Marine Authority), and then back to the DEC for final approval. This was often a time consuming process. Since then a list of approved terrestrial activities has been created and can be found in the Terrestrial Tour Operator Handbook. The Marine Tour Operator Handbook, which contains information about marine activities, is currently under review.

Under the revised system when an application for an approved activity is lodged, the Executive Director can grant a licence without consultation with the applicable body(s) (see Appendix C). The process can now be
completed within seven working days. The majority of lodged applications are for approved activities.

The ‘E’ Class licence is a restricted licence, meaning a limited number of licences exist. The number of available licences is restricted based on environmental, management and/or safety criteria. For example, the number of boat tour licences for a confined area may be limited based on the size of the area and the potential for congestion resulting in environmental damage. Whale shark tours require an ‘E’ Class licence as the demand for licences exceeds the number that can be sustainably managed.

The ‘E’ Class licence is granted via an Expression of Interest (EOI) process (see Appendix C). If the applicant is successful in winning the EOI process a licence is granted for an initial five year period. At the end of the first five year period the licence may be renewed for an additional five years. At the end of the 10 year period the licence is again open to a competitive EOI process.

If an operator chooses to sell their business prior to the expiration of their licence, the ‘E’ Class licence is not transferable, hence cannot be sold with the business. Instead the potential buyer can apply to the DEC for a replacement ‘E’ Class licence. If the replacement licence is granted to the buyer it will be dated to expire on the date of the original licence.

Since November 2004, once a ‘T’ Class and/or ‘E’ Class licence is granted or renewed, the operator has three months to complete the Tour Operator Online Education Program. The operator is required to access the web based program, which provides a brief description of general licence conditions followed by a multiple-choice ten question test. Operators receive a certificate when all ten questions are answered correctly.

Table 1: DEC licensing framework

<table>
<thead>
<tr>
<th>Attribute</th>
<th>‘T’ Class Licence</th>
<th>‘E’ Class Licence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted/Unrestricted</td>
<td>Unrestricted</td>
<td>Restricted</td>
</tr>
<tr>
<td>Length of licence</td>
<td>No accreditation: 1 year; With accreditation: 3 or 5 year</td>
<td>5 years</td>
</tr>
<tr>
<td>Allocation process</td>
<td>Lodging a licence application with the DEC</td>
<td>EOI process</td>
</tr>
<tr>
<td>Renewal</td>
<td>Renewal required at end of the licence period</td>
<td>Single 5 year renewal</td>
</tr>
<tr>
<td>Transferable</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Department of Fisheries Licensing

Under the Fish Resources Management Act 1994 (WA) (FRM Act) the DoF is responsible for conserving, developing and sharing fish and fish habitats in Western Australian waters. This role includes conserving and protecting fish as well as seeking optimum economic and social benefits in the management of: fishing, aquaculture and associated industries, and aquatic ecotourism and other tourism reliant on fishing. In this context, ‘fish’ does not include ‘aquatic mammals, aquatic reptiles, aquatic birds, amphibians or … pearl oysters’ (s4 of the FRM Act), many of which fall under the responsibility of the DEC.

The responsibility to manage aquatic ecotourism and other tourism reliant on fishing did not come into effect until a 1996/97 DoF review of the aquatic charter industry. Prior to the review, operators were required to adhere to recreational fishing regulations (size, bag and possession limits) and DEC guidelines for those activities within the DEC’s jurisdiction.

The review resulted in a number of amendments to the FRM Act

2 For a complete table see Appendix D.
3 Restricted licences have a finite number of licences available for issue. Unrestricted licences do not maintain a pre-set number of available licences.
and the *Fish Resources Management Regulations 1995*. In 2001, the DoF introduced a licensing and management framework for the aquatic tour industry. With the exception of aquatic ecotour operations conducted wholly within marine reserves (i.e. DEC managed), licences are required from the DoF for any aquatic tour activity that has the potential to impact on fish stocks or the aquatic environment. The framework includes three types of licences:

1. fishing tour operator licence,
2. restricted fishing tour operator licence, and
3. aquatic ecotour operator licence.

A fishing tour operator licence provides an operator’s client(s) the opportunity to fish during the tour and to take home the catch. The number of available fishing tour operator licences was capped on 12 September 1997 with no additional licences to be granted unless an extraordinary circumstance is identified. This provided a precautionary approach to restricting the number of operators, at a time when there was not enough scientific data available to determine a sustainable number of operators.

The focus of the 'restricted fishing tours' licence is on eco-type activities, such as snorkelling or scuba diving. The licence allows clients on ecotours to catch fish as food for consumption on tour but not to be taken home at the end of the tour.

Operators holding ecotour licences can observe or feed fish in their natural habitat but are not allowed to ‘take’ fish during the tour. Aquatic ecotour licences are granted for such ecotour operations outside DEC’s jurisdiction, e.g. outside DEC marine reserves.

Participation on a 'fishing tour' or 'restricted fishing tour' charter is considered to be recreational fishing. Participants are subject to the same rules (e.g. bag and size limits), as other recreational fishers. Fishing tour operators are required to maintain log books recording the fish caught by each boat on each trip. This data is submitted monthly to the DoF’s Research Division to aid in assessing the industry’s impact on the fish stocks and habitat.

Ministerial Policy Guidelines (Fisheries WA 2000) were developed to provide a detailed description of the criteria to be met prior to approval of a restricted fishing tour operator licence or an ecotour licence. The criteria require submission of a business plan, identification of operator resources and operational history, and the operation’s compatibility with DoF management objectives and environmental standards. Under the FRM Regulations, the Executive Director has the ability to grant the licences. The licences are renewed on an annual basis, providing the operator has not contravened the FRM Act or the FRM Regulations.

All of the licences are transferable. If a licence is being transferred between operators, the ‘new’ operator must provide the DoF with an operation plan, a police clearance and documentation proving they have not contravened the FRM Act and the FRM Regulations. To cover the costs of transferring the licence, the purchaser or ‘new’ operator must pay an administration fee to the DoF.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Fishing Licence</th>
<th>Restricted Fishing Licence</th>
<th>Aquatic Ecotourism Licence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted/Unrestricted*</td>
<td>Restricted</td>
<td>Unrestricted</td>
<td>Unrestricted</td>
</tr>
<tr>
<td>Length of licence</td>
<td>Indefinite</td>
<td>1 year</td>
<td>1 year</td>
</tr>
<tr>
<td>Allocation process</td>
<td>Post-Sept 1997, no new licences without exceptional circumstances</td>
<td>Lodge application with DoF</td>
<td>Lodge application with DoF</td>
</tr>
<tr>
<td>Renewal</td>
<td>N/A</td>
<td>Annual</td>
<td>Annual</td>
</tr>
<tr>
<td>Transferable</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Restricted licences have a finite number of licences available for issue. Unrestricted licences do not maintain a pre-set number of available licences.*
Department of Planning and Infrastructure Licensing

Terrestrial Transport

The Department of Planning and Infrastructure (DPI) has a role in licensing terrestrial modes of transport involved in tourism (e.g. charter buses). Under the Transport Co-ordination Act 1966 (WA) (Transport Act), the DPI has the responsibility to licence omnibuses. Omnibus is defined in the Act as ‘a motor vehicle used or intended to be used as a passenger vehicle to carry passengers for hire or reward… but does not include a vehicle operating as a taxi’ (s4).

Licences are approved by the Minister. The Minister may grant the licence for a period of ‘not more than 7 years’ (s30). The licences are not transferable unless specifically approved by the Minister. The Minister may approve a transfer in cases where the remaining time on a licence is being bought without the payment of a premium.

Omnibus operators must have an ‘F’ class drivers licence. They are required to have their vehicles examined on an annual basis, at any DPI Examination Centre or Approved Inspection Station. The primary focus of this step is the safety of passengers.

Marine Transport

The DPI also has a role in licensing marine modes of transportation. Under the Transport Act, the DPI is responsible for licensing ferries. Ferries are defined by the Act as vessels that carry passengers for ‘hire or reward’, including vessels ‘used by or on behalf of the Crown’ (s3). Vessels exempt from the definition of ‘ferry’ include: vessels with a carrying capacity of 30 passengers or less, vessels organising charter trips, vessels organising fishing/underwater diving expeditions, and vessels used in emergency operations.

Ferry licences are granted at the discretion of the Minister. When granting a licence the Minister may attach conditions to the licence. Ferry licences are of one-year duration and have a common expiration date – 30 September.

Included in ferry licensing are the ferries that transport clients to and from Rottnest Island. However, prior to DPI licence approval, the ferry licence applicant must have approval from the Rottnest Island Authority (RIA) to operate the ferry.

Also within the marine jurisdiction of DPI is the Commercial Vessel Safety Branch. A certificate of survey is required to enable any commercial vessel to operate in Western Australia. This is effectively a ‘Safety Certificate’, as the vessel must satisfy the technical safety requirements of the Act. Vessels must be surveyed both during construction and throughout the life of the vessel. The survey process assesses a vessel according to pre-set standards for safety equipment (including fire safety), construction and stability. The DEC requires the completion of the survey prior to granting a licence for vessels entering marine reserves.

The surveys focus on passenger safety. DPI licences do not specifically consider the location in which the tour activities occur. Factors such as the characteristics of the water in operating areas are not considered.

All persons in charge of commercial vessels and their machinery are required to hold the appropriate Certificate of Competency. Applicants are required to have sea time experience and pass eyesight and medical tests, along with the required academic course and oral examination.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Omnibus Licence</th>
<th>Ferry Licence</th>
<th>Vessel Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted/Unrestricted</td>
<td>Restricted</td>
<td>Both</td>
<td>Unrestricted</td>
</tr>
<tr>
<td>Length of licence</td>
<td>Max. 7 years</td>
<td>1 year</td>
<td>1 year</td>
</tr>
<tr>
<td>Allocation process</td>
<td>Lodge application with DPI</td>
<td>Lodge application with DPI</td>
<td>Commercial Vessel Safety Branch survey</td>
</tr>
<tr>
<td>Renewal</td>
<td>Depends on length of licence</td>
<td>Annual</td>
<td>Annual</td>
</tr>
<tr>
<td>Transferable</td>
<td>No</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>
Swan River Trust Licensing

The Swan River Trust (the Trust or SRT) was established by the Swan River Trust Act 1988 (WA) (SRT Act) to manage and protect the ‘management area’ (s7). The management area consists of the water of the Swan River, which is defined as including: ‘the Swan River upstream of the Fremantle Port Authority boundary’, ‘the Avon River to its confluence with Moondyne Brook’, ‘the Helena River to the lower diversion dam on the river’, ‘the Southern River to Allen Road crossing’, and ‘the Canning River to its confluence with Stinton Creek’. Also identified as part of the management area are adjoining public lands, which include the adjoining reserved parks and recreation areas and lands delineated in the Metropolitan Region Scheme.

The Trust is required to process development proposals (including river tour operators) for the management area. The Trust’s development approvals process acts as a de facto licensing system for tour operators who wish to operate on the River. The Trust is to consider such proposals, consult with the appropriate authorities (including local governments), and report to the Minister on the findings. The Minister then has the power to approve development proposals. During the review of applications, particular attention is paid to assessing whether or not there is an essential connection between the operator’s activity and the River (i.e., river dependency of the activity). The development proposal application is cumbersome, making approval a lengthy process.

Another restriction on tour operators is that no person(s) is allowed to live on the waters for more than six consecutive days or 10 days in any 30 day period, unless the vessel is moored in a SRT approved area. This stipulation applies to houseboats, of which no more than five houseboats are allowed on the River.

The duration of an approval is decided on a case by case basis. In the case of new works, two years is generally approved for the development to begin. For operations such as a ferry service, an open ended approval may be given. In the case of a new activity (e.g. parasailing) a short trial period may be set to assess public reaction.

Table 4: Swan River Trust licensing framework

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Development approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted/Unrestricted</td>
<td>Restricted</td>
</tr>
<tr>
<td>Length of licence/approval</td>
<td>Variable</td>
</tr>
<tr>
<td>Allocation process</td>
<td>Lodge application with the SRT</td>
</tr>
<tr>
<td>Renewal</td>
<td>N/A</td>
</tr>
<tr>
<td>Transferable</td>
<td>N/A</td>
</tr>
</tbody>
</table>

The powers of the SRT are being amended. In early 2004, the State Government announced its intention to provide the Trust with greater power to manage the river system. As a result, the Trust released a discussion paper for public consultation in December 2004. The discussion paper, New era for the rivers: Draft Swan and Canning Rivers Management Bill, outlined a number of proposed changes. Under the proposed amendments, for certain activities a licence would replace the current requirement for a development approval. This would apply to the majority of tourism activities. An objective of the proposed change is to significantly shorten what is currently an extremely slow approvals process.

The proposed amendments are also intended to facilitate a ‘whole of government’ approach to managing the river system. They suggest that other ‘authorities’ involved in decision making or management activities impacting the Riverpark (i.e. the new SRT management area) ‘should perform their functions with due regard to the objectives and principles of’ (s7) the new Act. The intention is to provide a mechanism to bring all ‘players to the table’ to coordinate activities amongst agencies to better manage the River.

This proposed change is seen by the SRT as a first step in streamlining the multi-agency licensing process for the River. The SRT has looked at various ways of creating a single entry point for operators into the multi-agency licensing process; as such consideration has been given to developing a referral system or an initial port of call for all operators. This would for example enable the DEC and the SRT to coordinate licensing efforts on the River. The DEC has a marine park in the Swan River – the Swan Estuary Marine Park. To operate in the park, tour operators currently need both a development approval from the SRT and a licence from the DEC. However, under the new framework this could be improved by agencies communicating with one another throughout the application process.
One option proposed by the SRT is an initial entry point, which would include a joint effort by all (involved) agencies to clearly identify a starting point in the process. From the initial starting point a clear process is to be established so that operators approach the appropriate agencies in the appropriate order, to allow agencies to refer the operators to the next appropriate agency in the process.

**Rottnest Island Authority Licensing**

Located 18 km from the Port of Fremantle, Rottnest Island is an A-Class Reserve. The terrestrial portion of the Reserve consists of 200 hectares of ‘settlement’ area plus 200 hectares of salt lakes and swamps. The Reserve includes approximately 3,800 hectares of the surrounding marine waters (RIA 2004).

The Island is managed by the Rottnest Island Authority (RIA), which became a statutory authority with passage of the *Rottnest Island Authority Act 1987* (WA) (RIA Act). Day-to-day management activities are overseen by the Chief Executive Officer, supported by 100+ staff. Management of the Island includes:

- providing and operating recreational and holiday facilities,
- protecting the flora and fauna,
- maintaining and protecting the natural environment and man-made resources, and
- where possible repairing the natural environment.

The RIA does not currently licence tour operators. Rather, the conditions attached to a ferry licence, granted under the *Transport Co-ordination Act 1966* by DPI, require that the operator’s annual timetable be approved by the RIA. The conditions also stipulate that the operator be granted permission from the Authority to use the main passenger jetty on the Island.

In 2005, the RIA entered into an MOU with the ferry operators. The MOU outlined the arrangements between the RIA and ferry operators regarding reserve entry fees. The operators are required to pay the RIA a per head fee for each passenger they bring into the reserve.

There are also a number of small businesses that operate on the Island. Licences for these businesses were developed in the late 1990s. The licences are granted via an EOI process; licence length varies between three and five years. Licenced activities include: a glass-bottom boat experience of an Island bay, reef and marine wreck viewings, scenic flights, astronomy tours, sea kayak tours and snorkel diving activities.

The RIA is currently investigating the potential to develop a charter vessel operator licence system, as recommended by the *Rottnest Island Management Plan 2003-2008*. These licences would be issued to vessels which enter the Rottnest Island Marine Reserve including charter-fishing boats, ecotourism vessels, party charters and diver charter boats. Fishing and diving charter operators pay annual admission fees.

**Other Applicable Licences/Permits**

**Department of Environment and Heritage**

The Department of Environment and Heritage (DEH) is the Commonwealth agency responsible for protecting and conserving Australia’s natural environment and cultural heritage; much of this power is housed under the *Environmental Protection and Biodiversity Conservation Act 1999* (Cth). Under the Act, the DEH has jurisdiction to manage and protect the natural and cultural environment in several areas of Western Australia.

Three Western Australia areas of particular importance to tour operators are Mermaid Reef, Ashmore Reef and Cartier Island, and parts of Ningaloo Reef. The three locations are identified as Commonwealth marine protected areas (MPAs). For each MPA the DEH maintains a management plan, which outlines the activities that can and cannot occur in each area. Ashmore Reef and Cartier Island fall fully under the jurisdiction of the DEH, whereas Mermaid Reef/Rowley Shoals and Ningaloo Reef are managed in part by the DEH and in part by the DEC.

Ashmore Reef Marine National Nature Reserve and Cartier Island Marine Reserve are managed under the same plan. The area is remote and because of this receives few visitors ‘other than traditional Indonesian, recreational yachts and Australian government vessels’ (DEH 2002a). Much of the reserve is closed to public access, with limited access to the main lagoon and a small portion of the West Island. Commercial tour operators must apply to the DEH for a permit to operate in the area. The permits are considered on a case-by-case basis. In areas zoned 1a (by IUCN standards), permits will only be approved where the activities contribute ‘to the knowledge and management of the Reserve’ and will not have a significant impact on the Reserve (DEH 2002a).
Mermaid Reef Marine National Nature Reserve is part of a group of reefs known as Rowley Shoals. Mermaid Reef is cooperatively managed by the DEH, the DEC and DoF (DEH n.d.). Commercial tour operators must obtain a permit from DEH to operate in the Mermaid Reef Marine National Nature Reserve. Operators are allowed to anchor only in designated areas. However, operators are prohibited from fishing, feeding or removing wildlife and from disposing of waste or bilge water in the Reserve. The remaining Rowley Shoals reef system, known as Rowley Shoals Marine Park, is managed by the DEC. An E-Class licence is required to operate in the Rowley Shoals Marine Park. The EOI application for Rowley Shoals includes both a DEC licence and a DEH licence.

Ningaloo Marine Park includes both State and Commonwealth waters. State control extends outwards from the shoreline to approximately three nautical miles. At the three nautical mile point the Commonwealth waters extend another three to nine nautical miles. Although separate jurisdictions legislatively exist for the Commonwealth and the State, the waters are managed as a single entity by the DEH, the DEC and the DoF. As such the Commonwealth waters are managed on a day-to-day basis by the DEC and, for fishing related matters, the DoF. However, tour operators do need to obtain a permit to run fishing charter tours in Commonwealth component of the Park.

Aboriginal Lands Trust

Under the Aboriginal Affairs Planning Authority (AAPA) Act 1972, the Aboriginal Land Trust (ALT) is responsible for managing Aboriginal reserves. The ALT leases the reserves to Aboriginal community corporations.

A number of the reserves require entry permits. Permits are needed for all persons visiting reserve areas, including tourists, tour operators and contractors. The ALT issues the entry permits free of charge, however some Aboriginal communities charge fees for entry, camping and other activities. The permits serve several purposes, including: maintenance of heritage and cultural values, conservation of the natural environment, preservation of community privacy and visitor safety.
Chapter 5

ANALYSIS OF ISSUES

This chapter examines issues arising from the current Western Australia licensing framework that can create business impediments for nature tourism operators. Each issue is accompanied by recommendations.

Issue: Tour Operator Compliance Costs

The current frustration on the part of nature tourism operators appears largely attributable to the business transaction costs arising from the licensing frameworks, especially the compliance costs. On the basis of previous studies of Western Australia tour operators (Carlsen 2003; Hughes & Carlsen 2004; Quatermain et al. 2005) and the interviews conducted for this study, the most commonly cited sources of dissatisfaction are the need for multiple licences from multiple agencies, the perceived insecurity of licences, the added paperwork, and the non-transferability of some licences.

Regulatory Burden on Businesses

Government regulation, including licensing, is necessary to achieve a range of net societal benefits (e.g., maintenance of ecological values for current and future generations). However, compliance with government regulation does impose costs on the private sector (Bell 1996; Bickerdyke & Lattimore 1997; Lattimore et al. 1998). This cost or ‘regulatory burden’ is defined as the:

Additional paperwork and other activities that small business must complete to comply with government regulations. It is the time and expense outlaid that is over and above normal commercial practices. The burden includes lost opportunities and disincentives to expand the business (Bell 1996: 1).

The compliance costs incurred by industry are commonly categorised in terms of time, effort (both physical and psychological) and resources used to meet compliance requirements. According to Lattimore et al. (1998: 176-177) these costs include:

- The additional administration, paperwork, management and record keeping costs involved in complying with the regulatory framework.
- The costs involved in meeting the substantive requirements of the regulatory framework.
- The costs arising from the disincentives, distortions and duplication attributable to the regulatory framework.
- Reduced opportunity costs arising from reduced incentives for efficiency, entrepreneurship and innovation.
- Government costs of administration, monitoring and enforcement.
- Other costs (such as psychological stress) associated with compliance.

Compliance costs are difficult to enumerate due to the wide variation in the size of businesses in an industry and the method by which costs are measured. However, in general, compliance costs fall disproportionately on smaller businesses (Bickerdyke & Lattimore 1996; CabaLu, Doss & Dawkins 1996). Over the last few decades the level of regulatory burden on Australian businesses has increased by as much as two hundred per cent (Bell 1996). This parallels the substantial growth in volume of both Commonwealth and State government legislation (Lattimore et al. 1998).

Regulatory Burden on Tour Operators

A DEC (formerly CALM) sponsored review of its ‘T’ Class and ‘E’ Class licences found that the length of the licences did not have a significant negative impact on the success of business enterprises (Quatermain et al. 2005). However the compliance cost of each licence in a multi-licence framework adds further to the regulatory burden (e.g., superannuation, company taxation, workers compensation, and occupational health and safety) facing Australian businesses including tour operators, many of whom are small businesses (McKercher & Robbins 1998). Each additional licensing requirement may be small in its own right but it contributes to an ever growing and significant regulatory burden. To illustrate this point, Table 5 is indicative of the regulatory burden for a ferry charter operating on the Swan and Canning rivers. The exact suite of applicable licences would depend on the specific characteristics of the ferry charter’s operation.

The costs involved in meeting licence requirements can be high. For example, tour operators holding a ‘T’ or ‘E’ class licence are required by the DEC to maintain a policy of public liability insurance for a sum of not less than $10 million.
Table 5: Regulatory burden – ferry operator (Swan and Canning Rivers)

<table>
<thead>
<tr>
<th>Agency Mandates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ferry Charters</strong></td>
</tr>
<tr>
<td>Application for Approval of Development (SRT)</td>
</tr>
<tr>
<td>Certificate of Competency-Commercial Vessel Operation (DPI)</td>
</tr>
<tr>
<td>Certificate of Survey (DPI)</td>
</tr>
<tr>
<td>Commercial Marine Mammal Interaction Tours in Marine Reserves (DEC)</td>
</tr>
<tr>
<td>Commercial Tourist Activity Licence (DEC)</td>
</tr>
<tr>
<td>Ferry Licence (DPI)</td>
</tr>
<tr>
<td>Fishing Tour &amp; Aquatic Ecotourism Operator's Licence (DoF)</td>
</tr>
<tr>
<td>Mooring Area Licence (DPI)</td>
</tr>
<tr>
<td><strong>Business</strong></td>
</tr>
<tr>
<td>Australian Business Number</td>
</tr>
<tr>
<td>Business Name Registration</td>
</tr>
<tr>
<td>Registration as an Australian Company</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
</tr>
<tr>
<td>Superannuation Guarantee Scheme</td>
</tr>
<tr>
<td>Occupational Safety and Health Requirements</td>
</tr>
<tr>
<td>Requirements for Fringe Benefits Tax</td>
</tr>
<tr>
<td>Workers’ Compensation Insurance</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
</tr>
<tr>
<td>Goods and Services Tax (GST) Registration</td>
</tr>
<tr>
<td>Registration as a PAYG Withholder</td>
</tr>
<tr>
<td><strong>Possible Other</strong></td>
</tr>
<tr>
<td>Commercial Advertising Signs</td>
</tr>
<tr>
<td>Licence to erect or maintain a Sign</td>
</tr>
<tr>
<td>Liquor Licence</td>
</tr>
</tbody>
</table>

**Agency Mandates**

The current licensing regime is fragmented in the sense that no single agency regulates the nature tourism industry. Under the current multi-agency licensing structure, many tour operators need to seek separate licence approvals from a number of licensing agencies.

In part, this is a by-product of the mandates of the licensing agencies. Each has its own mandate, which influences its relationship with the tourism sector and its licensing framework. Mandates differ both in terms of objectives and spatial jurisdictions. For example, the DEC is required by law to conserve and preserve the natural environment whereas the DoF has a dual mandate to not only conserve the natural resource but economically develop the fishing industry.

A comparison of the mandates of the DEC and the Swan River Trust (SRT) provides a different type of example. The DEC is required to manage the State’s high value terrestrial and in some instances marine environments. The SRT’s mandate is limited in spatial extent to the Swan River management area. As a result, tour operators who plan to use specific areas of the Swan River are required to apply for two licences, one from the DEC and another from the SRT. In the eyes of tour operators this is likely viewed as government duplication in effort and an unnecessary increase in their paperwork.

The fragmented nature of the licensing system has not been aided by agency responses to emerging concern about tourism impacts on natural resources (Eagles 2001). Other than the SRT, the original legislation of the licensing agencies predates government awareness of the potential impact of tourism on agency objectives. As these relationships became clearer, the agencies responded through reactive amendments to their Acts and development of new policies and procedures (see Chapter 3).

The end result is a licensing regime that contains a number of inconsistencies if one looks across the licensing frameworks (see Table 6). Each licensing agency has its own: dates for licence renewals, fees, length of licence, policy regarding licence transferability and sources of licensing information. This fragmentation and the associated inconsistencies in licensing procedures across agencies can generate higher transaction costs for tour operators (e.g. time, effort, paperwork, complexity, uncertainty). Compliance costs are even greater for tour operators who operate in multiple states.
Table 6: Overview of licence characteristics by agency

<table>
<thead>
<tr>
<th>Agency</th>
<th>Licence category</th>
<th>Type</th>
<th>Licence duration</th>
<th>Renewal</th>
<th>Transferable</th>
<th>Allocation process</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEC</td>
<td>Unrestricted</td>
<td>1 year*</td>
<td>End of licence period</td>
<td>No</td>
<td>Lodge application with DEC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restricted</td>
<td>5 years</td>
<td>Single 5 year renewal</td>
<td>No</td>
<td>EOI process</td>
<td></td>
</tr>
<tr>
<td>DoF</td>
<td>Unrestricted</td>
<td>1 year</td>
<td>Annual</td>
<td>Yes</td>
<td>Lodge application with DoF</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restricted</td>
<td>Indefinite</td>
<td>N/A</td>
<td>Yes</td>
<td>No new licence post-Sept. 1997</td>
<td></td>
</tr>
<tr>
<td>DPI</td>
<td>Unrestricted</td>
<td>1 year</td>
<td>Annual</td>
<td>N/A</td>
<td>Commercial Vessel Safety Branch survey</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Restricted</td>
<td>Max. 7 years</td>
<td>End of licence period</td>
<td>No</td>
<td>Lodge application with DPI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Both</td>
<td>1 year</td>
<td>Annual</td>
<td></td>
<td>Lodge application with DPI</td>
<td></td>
</tr>
<tr>
<td>SRT</td>
<td>Restricted</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Lodge application with SRT</td>
<td></td>
</tr>
</tbody>
</table>

* 1 year can be extended to 3 or 5 years if accreditation is obtained

Licence transferability is an example. Many operators would like to see the DEC move towards a system of transferable licences similar to that of the DoF. Under the current DoF system when an operator sells his/her business, the licence can be part of the sale. However under the DEC system, upon sale of a business the ‘new’ operator must apply for a licence. The non-transferability of a licence is viewed by operators as an impediment. Being unable to include the licence in the sale of a business is perceived as decreasing the sale value of the business. However, in the DoF process the buyer is still required to ensure that they have not previously committed an offence under the Act, this takes both time and money to fill in the paperwork; whereas in the case of the DEC licence, if applying for a T-Class licence, the buyer needs to apply for a new licence, which is almost a guarantee as the licence is not restricted. The DEC licence costs both time and money similar to the DoF process.

The Minister for Environment made the decision when the DECs licensing system was developed to not allow the licences to gain a property value, which would include making the licence transferable. This is to avoid the problem of high premiums experienced by the taxi licensing system, and ultimately avoid the need to buy back licences as the Western Australia Government did with taxi licences, which proved to be very costly. The non-transferable status of DECs licences is also in line with the majority of conservation licensing bodies in Australia. However, there are two exceptions – Parks Australia North and the Great Barrier Reef Marine Park Authority. In both cases licences are transferable but only with agency approval.

Operators in Queensland, via the Tourism in Protected Areas Working Group (2004), also identified the need for more flexible licences and recommended a rolling renewal system. Under their proposed system, a selection panel would determine the terms and conditions of the licence, which would subsequently be negotiated between the Queensland Parks and Wildlife Service and the operator. The licence would be granted on a 10 year rolling renewal basis. This means the licence would be reviewed annually and, provided the licensee met the necessary operating standards, the licence would be renewed for 1 year. In cases where standards are continually not met, the Queensland Parks and Wildlife Service can revoke the licence. The rolling licence enables an agency to provide a shortened annual application process. It also offers the operator greater perceived security, as the annual application is a review rather than a full application.

Recommendation 1: Review of compliance costs

Licensing agencies should, individually and collectively, review their licensing frameworks with an eye to reducing the compliance costs for tour operators. A number of suggested changes have been identified in this and other studies including: rolling renewals, longer licence length tied to professional performance and creation of a single source of information on licensing requirements (see Recommendation 5).

In some instances, changes to reduce compliance costs may not be warranted due to undesirable impacts on other agency objectives. But the benefits to the agencies of not making changes must be weighed against the cost to the agency-tour operator relationship. To the extent possible, licensing agencies should attempt to reduce compliance costs for the licensees (e.g. tour operators). A basic principle of good negotiation is to treat the other party’s problem as your problem (Fisher & Ury 1991). Failure to solve their problem (e.g. high operator
transaction costs) can impede an agency in achieving its objectives (e.g. responsible tour operator behaviour). Such an initiative should involve representatives of the nature tourism industry (see Recommendation 2).

Issue: Agency-Tour Operator Communication

Two-way Communication

The past 15 years have witnessed significant changes in the way that organisations are structured and managed. Public sector organisations have not been immune to these changes. For better or worse, today’s government agencies (including conservation-based agencies) have adopted many of the characteristics of private sector organisations including a reduced workforce, and an emphasis on both efficiency and accountability through performance indicators (Beckwith & Moore 2002; Considine & Painter 1998; Rees & Rodley 1995).

These changes have been accompanied by movement away from the purely ‘command and control’ management approaches that have dominated (Blader & Tyler 2005). Today, successful private and public sector organisations reflect a different set of characteristics, including the ability to be:

- Proactive, not just reactive.
- Able to influence and manage the environment, not just adapt.
- Pragmatic, not idealistic.
- Future-oriented, not predominantly present/past oriented.
- Relationship-oriented, not just task-oriented (Schien 1992).

Traditionally government regulatory agencies (e.g. licensing) have adopted a top-down, command and control approach to interactions with those they seek to manage. This style of management typically uses sanctions (to discourage rule-breaking) and, less commonly, incentives (to encourage rule-following) in an effort to influence behaviour. Communication between the agency and the licensee (e.g. tour operator) is one-way; from the agency to the licensee. But command and control approaches can have limitations (e.g. poor perceptions of fairness, adversarial style) and high costs (e.g. significant investment in surveillance) (Blader & Tyler 2005).

The need for and value of two-way communication and positive relationships between agencies and tour operators was frequently raised during agency interviews. Already several licensing agencies are starting to compliment their traditional education and information communications (i.e. one-way communication) with various forms of consultation. Both the DEC and the DoF are conducting regional workshops to bring regional and Perth-based agency staff into face-to-face discussions with tour operators. The agencies view this as a means of breaking down operator stereotypes of government staff (e.g. agencies are out of touch with tour operator concerns) and providing agency staff with a greater appreciation of tour operator perspectives.

The DoF communication tour of regional centres (e.g. Broome) is intended to improve operator-agency communication by providing a venue for face-to-face discussion of licensing issues and an analysis of fishing log book data collected by tour operators. Tour operators are encouraged to provide feedback on the existing licensing system, which will be input to a planned state-wide review of the DoF licensing system. The agency indicated that initial feedback has been positive; tour operators who have licences appear happy with the existing framework.

The Engagement Ladder

Agency-tour operator communication and interactions can be conceptualised as a continuum or ladder of stakeholder engagement (see Table 7). At the bottom of the ladder is one-way communication where the objective is for the agency to inform, persuade or educate. Above that is two-way communication in the form of consultation in which the stakeholder (e.g. tour operators) provides feedback on ideas presented by the agency. The regional agency-tour operator workshops are an example of this level of engagement.

The higher one moves up the ladder, the greater the degree of stakeholder engagement and the greater the potential to forge strong working relationships. Establishing positive working relationships with stakeholders is central to moving away from purely command and control approaches to more collaborative models that view stakeholders, in this case tour operators, as clients and potential partners rather than adversaries.

The steps taken by some licensing agencies to create two-way dialogue with tour operators are a positive initiative to be commended. As agency experience is gained in establishing and maintaining such dialogues, agencies are encouraged to attempt joint planning on issues that have implications both for the licensing agency in terms of achieving its goals and on the tour operators and their business objectives.
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Table 7: Modified version of Arnstein’s Ladder of Stakeholder Engagement

<table>
<thead>
<tr>
<th>Engagement Level</th>
<th>Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher</td>
<td>Community has control</td>
</tr>
<tr>
<td></td>
<td>Delegated authority</td>
</tr>
<tr>
<td></td>
<td>Plans jointly with agency</td>
</tr>
<tr>
<td></td>
<td>Is consulted</td>
</tr>
<tr>
<td>Lower</td>
<td>Receives information</td>
</tr>
</tbody>
</table>

Source: Arnstein (1969)

Collaborative Resource Management

Higher levels of stakeholder engagement such as joint planning are a cornerstone of the ‘collaborative’ approaches gaining popularity in the field of natural resource management. Collaborative approaches can build social capital and the agreements reached are more likely to be both workable and implemented (Susskind, Levy, & Thomas-Larner 2000). Such approaches recognise the need to ground decision-making in good science while at the same time being aware that technical factors are only one consideration in natural resource management. Collaborative approaches can aid in building a ‘sense of shared ownership and responsibility for natural resources’ by moderating the top-down style of government agencies that has tended to ‘disempower’ those impacted by the decisions. It also ‘recognises that government as a partner can provide unique resources, incentives, and opportunities important to collective efforts’ (Wondolleck & Yaffee 2000: 5).

For collaborative approaches to be effective the following conditions must exist: mutual understanding of the interests of each party, a degree of trust, willingness to seek mutual gain solutions, and repeated interactions among the parties (e.g. Hadlock & Beckwith 2002a; Susskind, Levy & Thomas-Larner 2000; Wondolleck & Yaffee 2000). One of the first hurdles to be cleared is building trust between the parties. While there is no guarantee that trust will lead to collaboration, there is evidence that lack of trust inhibits it (Lewicki, Saunders & Minton 1997). Agencies should not expect tour operators to engage in collaborative initiatives if they are not perceived by the operators as trustworthy. To develop trust, each party must be willing to signal to the other that they are willing to behave in a cooperative manner. A party (e.g. tour operators) is more likely to trust someone they believe holds a positive attitude toward them or who initiates cooperative, trusting behaviour (Lewicki, Saunders & Minton 1997). The ongoing agency communication tour and workshops will be beneficial in fostering trust that could be carried over to joint planning initiatives.

Collaborative approaches also require a different skill set (e.g. negotiation skills) to the command and control approach. Depending upon existing staff abilities, agencies may need to provide additional in-house training to ensure that individuals have the tools to successfully employ such an approach. Some agencies already have these skills within their agency as a result of having successfully applied collaborative approaches to other aspects of their operations (e.g. DEC’s Western Shield program). This institutional knowledge and experience could be introduced to the licensing sector of these agencies. Conservation based licensing agencies are encouraged to look for opportunities to bring tour operators into the resource management process. The planned state-wide review of the DoF’s current licensing system presents an opportunity to engage with tour operators in a manner that treats them more as partners. The recent agency consultation with operators is a positive first step but the DoF could go the next step of engaging the tour operators in joint planning.

As a stakeholder on the outside (e.g. tour operators), it is easy to be a critic of decisions and the decision makers (e.g. licensing agencies). However, when stakeholders are brought into the decision-making process they need to prove the veracity of their complaints. In addition, with a greater understanding of the constraints under which the agency operates, they are also likely to temper their criticism and put forth solutions that can solve their problems but not at an unreasonable cost to the agency.
Agencies are often initially hesitant to go down this path out of concern they will lose control or have to forfeit agency responsibilities. That is not the case. The agency would continue to take the lead in defining and resolving licensing and resource management issues but would work in a collaborative manner with the nature tourism industry in doing so. Used judiciously, a combination of elements from both the command and control and collaborative resource management approaches can create a useful carrot and stick dynamic.

Coral Watch is an example of such a program in Queensland. A joint project between the for Sustainable Tourism CRC, the University of Queensland, and Heron Island Resort, the Coral Watch program provides tour operators and their clients with a colour chart (see left) to rate the health of the coral when they visit the Great Barrier Reef (www.coralwatch.org). The data is used in setting environmental management and tourism objectives for the Park. Commercial tourism operators have been actively involved since the launch of the project on Heron Island Resort.

A related program is the Great Barrier Reef Marine Park Authority’s (GBRMPA) Bleach Watch program. Due to limited resources it is increasingly difficult for government agencies on their own to monitor environmental conditions. The Bleach Watch program enlists the assistance of reef users in monitoring coral bleaching on the Great Barrier Reef. The program has two categories: a community program for reef visitors who make occasional trips to the reef; and a professional program for regular reef users. The professional program is comprised predominantly of tourism professionals who visit a particular reef on a reliable schedule (see Box 1).

**Box 1: Bleach Watch Professional Program**

The program allows marine tourism professionals to gain a greater understanding of the coral community at their sites. The information collected is used to gauge the pre-bleaching coral composition and determine the susceptibility of a site to bleaching. The program has been designed with the tourism professional in mind. The monitoring form takes only 10 minutes to complete per week. The monitoring kits provided by the GBRMPA comprise a waterproof reference key, monitoring forms and instructions. The monitoring forms are sent back to the GBRMPA in prepaid envelopes. In return for the monitors’ effort, a coral reef ecologist at the GBRMPA analyses the information and provides monthly site reports. The data is also provided as an information poster to be displayed on board for the education of both staff and tourists.


**Recommendation 2: Higher levels of engagement**

Licensing agencies are encouraged to complement their traditional command and control approaches with collaborative planning initiatives where appropriate. The licensing agencies should actively seek out opportunities to engage in joint planning with the commercial nature tourism sector and foster partnerships. Agencies also need to assess whether their staff members have the appropriate skills (e.g. negotiation skills) to successfully employ such approaches.
Issue: Agency and Tour Operator Perceptions

How one party perceives the other influences their intentions and behaviour toward the other party. Negative stereotypes can contribute to a lack of empathy for the constraints and impacts on the other party and does little to establish trust.

Communication difficulties also create barriers and reinforce stereotypes. A study by the Department of Industry, Tourism and Resources (2003: 23) found that tour operators and protected area managers ‘often talk at cross purposes, sometimes using the same language but with different meanings’.

Agency Perceptions of Tour Operators

Tour operators contend that licensing agencies neither appreciate their business perspective nor attempt to address their concerns (Carlsen 2003). This is problematic in that good working relationships and collaborative planning require that all parties be willing and able to look at a problem through the eyes of the other parties. Some past studies (Carlsen 2003; Hughes & Carlsen 2004) have attributed the perceived lack of agency empathy to a mismatch of objectives with tour operators seeking to produce profit while licensing agencies are trying to meet different objectives such as nature conservation or safety.

It was beyond the scope of our study to directly assess the degree to which agency staff members appreciate the implications of their licensing procedures for commercial businesses. Perhaps agency staff members are unaware of the perspective and concerns of tour operators. It may also be the case that they are aware but view this as very much a secondary concern to that of meeting agency objectives. This can create an adversarial dynamic in which the agency’s staff members view nature tourism as a threat and the tour operators view the agency and its procedures as a constraint on their business operations.

Researchers including Eagles (2001) and Hughes and Carlsen (2004) point to agency hiring practices, especially those of the conservation-based agencies (e.g. DEC), as playing a role. Traditionally, these agencies have heavily favoured hiring staff trained in science and conservation disciplines as opposed to tourism related disciplines. This is not surprising, as tourism emerged as an environmental management issue only relatively recently; long after the primary missions of these agencies were established.

While some staff members of conservation-based agencies have fostered good working relationships with tour operators in the field, some agency interviewees indicated this was not occurring on a consistent basis across the agencies. As a result of their professional training and agency mandates, one might expect some staff members with a strong nature conservation orientation to view tourism, including nature tourism, in a negative light. While tourism and nature tourism, in particular, has the potential to benefit efforts to conserve and manage our ecological resources, it can also impose negative impacts. For some professionals with a strong conservation ethic, the potential negatives may outweigh the benefits.

Modules on the relationship between nature conservation and nature tourism and environmental management and business are slowly finding their way into university curriculum. This will result in professionals with a more multi-disciplinary view of nature conservation. But what of the existing agency staff members? Agency interviewees indicated that many staff members have successfully reconciled any perceived contradictions in trying to simultaneously achieve conservation and tourism objectives; but not all have made such an accommodation in their thinking. This can be problematic as the positive efforts of many agency staff members can be significantly undermined by a few ‘combat biologists’ (Tilt 1995). Using heavy handed one-way communication styles (Rientjes 2000) and demonstrating a lack of appreciation for business concerns and local knowledge, they can quickly antagonise stakeholders including tour operators (Clark & Wallace 1998; Peterson & Horton 1995).

In an attempt to improve its agency culture and client relations with the tourism industry, the DEC has taken the positive step of implementing in-house staff education programs that explore both the positive and negative aspects of tourism within the focus of conservation. However, the messages from such training efforts can be undermined by strong organisational cultures.

Although all organisations have cultures, some appear to have stronger, more deeply rooted cultures than others. Some of the licensing agencies (e.g. DEC) have strong organisational cultures. At the core of an organisation’s culture are its fundamental beliefs, assumptions, values and practices. When new staff members join an agency the organisation’s culture influences how the individual perceives, thinks, and feels in relation to work tasks and problems (Schein 2004). Traditionally, a strong organisational culture has been viewed positively as it can foster motivation, commitment, identity and solidarity, which in turn facilitate internal integration and coordination. However, more recently it has been recognised that a strong organisational culture can also act as a barrier to adaptation and change (Schein 2004; Collins & Porras 1994). This can result in suggestions for change being dismissed out of hand because ‘it simply isn’t the way we operate’.

The tourism industry has become a stakeholder in the conservation and management of our natural
resources. Nature tourism is not going to disappear; its influence will only grow. Pragmatic agency responses to tourism industry concerns are needed to ensure the former and avoid the latter.

Getting staff members to change from long standing practices can be challenging. This is particularly true if the staff member believes that the changes are not consistent with their deeply held values and beliefs (Blader & Tyler 2005). Thus it is important to reinforce with employees that what is proposed will maintain the traditional values of the organisation (e.g. importance of maintaining conservation values) but reflect a willingness to find new ways of doing business in achieving organisational goals.

Organisational leadership is an important determinant of whether or not staff members will embrace change (Blader & Tyler 2005). Leaders who are perceived as legitimate and credible are more likely to have their proposed changes adopted by staff members (Beckwith & Moore 2002). To avoid resentment, it is important that any new demands on staff members (e.g. needing to spend more time engaging in dialogue with tour operators) are formally recognised by the agency through means such as employee annual evaluations and assigned workloads (Hadlock & Beckwith 2002b).

### Tour Operator Perceptions of Agencies

The current system can prove confusing and frustrating to tour operators who, like the majority of the public, are likely to adopt a collective view of the licensing agencies under the umbrella label ‘State Government’. Low tour operator awareness of the reasons why different licences exist and take the form they do, can also contribute to tour operator frustration. For instance, if operators do not appreciate why both the DEC and the SRT need to have their own approval processes to meet different planning objectives, they are likely to view the requirements merely as a duplication of effort and evidence of government inefficiency. This is consistent with calls from some for the current licensing regimes to be replaced by a single government licensing agency for tour operators.

Tour operators approach licence compliance from a business perspective. Although the few tour operators interviewed for this study indicated they recognised the need for licences, it is unclear how well individuals in the nature tourism industry appreciate the relationship between maintaining conservation values and the long term sustainability of their industry. Tour operators display high sensitivity to the compliance costs of licensing but the degree to which they value the benefits of regulation is not clear (see Table 8). For instance, do they appreciate the extent to which a few poorly run operations can undermine the reputation of their industry with consumers? The recent problems in Karijini National Park required the rescue of 11 people; the rescue occurred after all of the individuals had spent a cold, unequipped night in Karijini. This incident demonstrated how a single rogue adventure tourism operator could generate negative media coverage for the industry and threats of additional regulation from the State Government (ABC News online, 14 June 2005).

<table>
<thead>
<tr>
<th>Cost</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance costs (e.g. increased paperwork)</td>
<td>Increased consumer confidence in the industry</td>
</tr>
<tr>
<td>Lost opportunities and disincentives to expand the business</td>
<td>Assists in ensuring the business is operated in compliance with government legislation</td>
</tr>
<tr>
<td>Frustration and increased distrust of ‘government’</td>
<td>Reduction in dishonest/unethical behaviour</td>
</tr>
</tbody>
</table>

While those tour operators interviewed for this study acknowledged the need for the industry to be regulated, none believed their own operation was creating any negative impacts. Carlsen (2003) and Hughes and Carlsen (2004) have reported similar findings. If tour operators either do not believe their operations are or could negatively impact on the ecology or do not recognise that removing bad operators from the industry is in their self-interest, they are likely to view the licensing process as largely an inconvenience to their business and simply more government red tape. Further, if they view the licensing process as imposing an unfair burden on them, behavioural responses may include conflict, non-compliance and efforts to beat the system (Tenbrunsel et al. 1997).

### Recommendation 3: Breaking down stereotypes

Conservation based agencies should continue in their efforts to foster an organisational culture which values the potential benefits of nature tourism in conservation efforts. Success stories could be used to demonstrate how conservation and tourism can be mutually beneficial.

If some individual staff members need to modify their interactions with tour operators (e.g. change their communication style), they should be provided the skills to do so through training. If changes are made in the
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way they perform their job (e.g. more time dedicated to face-to-face planning efforts with operators), this should be recognised in performance evaluations and work assignments.

The ability to adopt a multi-disciplinary perspective should be valued in the hiring of new staff members. This does not mean that every employee must be an expert in all areas but that they have the ability to examine issues from multiple perspectives.

All licensing agencies should ensure that their staff members have an appreciation of tour operator interests and constraints (e.g. impact of compliance costs on small businesses). Once staff members can see the problem through the eyes of a tour operator, they need to demonstrate this awareness to the operators. They also need to demonstrate how they are trying to accommodate tour operator interests by removing or lowering barriers and costs.

Greater profile needs to be given to the benefits licensing provides to the tour operators. Agencies do a much better job of describing the benefits to ‘society’ or ‘nature’ than to the licensees who typically come a distant second. Operators also need a clearer understanding of the purpose of the various licences.

Repeated agency-tour operator interactions over a period of time can contribute to removing stereotypes. For instance, greater involvement of the tour operator industry in the planning and review of licensing frameworks would aid in breaking down stereotypes on both sides.

Issue: Inter-agency Communication

It is difficult to have an efficient multi-agency system if the agencies are not communicating effectively. The majority of agency representatives interviewed highlighted both the value of inter-agency communication and a desire for better inter-agency communication on tour operator licensing and other tourism related issues. The current status of inter-agency communication and collaboration was characterised by some agencies as less than ideal. Some interviewees alluded to underlying reasons but they were rarely clearly articulated. We can speculate that a number of factors may be involved, including: poor communication mechanisms, organisational culture, resource issues, and past inter-agency conflicts.

One interviewee described how the introduction of the New Horizons Policy in 1994 created tension between the DEC (formerly CALM) and the DoF. The policy created DEC’s Marine Conservation Branch (now known as the Marine Policy and Planning Branch); giving it responsibility for developing marine parks. This was a significant expansion of DEC’s role in marine conservation. It is alleged that some in DoF viewed this as a case of DEC usurping some of DoF’s management ‘turf’. Such events can have a long life within organisations and create impediments to subsequent attempts at inter-agency cooperation.

Under the leadership of Tourism Western Australia an attempt was made in the early 1990s to improve inter-agency communication on licensing issues through a memorandum of understanding (MOU). The MOU sought to bring together the various agencies involved in licensing tour operators and develop a more holistic (i.e. whole of government) view of the licensing process. However, the initiative fell by the wayside soon after the initial inter-agency meeting. Interviewees attributed this to the challenges of inter-agency communication (time and financial resources) and the loss of the committee chairperson who was a driving force behind the initiative.

Yet there was a positive legacy from this failed attempt at inter-agency communication. DEC and Tourism Western Australia each have committees on which the other agency is represented. DEC has established a Tourism Industry Reference Group (TIRG); a member of the group is from Tourism Western Australia. The remaining members of the group are operators and operator representatives (e.g., Tourism Council WA). In turn, Tourism Western Australia has a nature-based tourism committee on which a member of DEC sits, called the Nature Based Tourism Advisory Committee. DEC and Tourism Western Australia are joined by a number of other State Government agencies, including the DPI and the DoF.

While some agencies have made strides in inter-agency communication (DEC-Tourism WA) and most espouse its value, the failure of past initiatives (i.e. the MOU) suggests that either agencies do not see sufficient value relative to the costs or there are barriers to effective inter-agency communication (e.g. inter-agency rivalries).

Anyone who has worked in state government is all too well aware that staff members spend much more
time in committee meetings than they would like. But there are ways for agencies to communicate without the need to create yet another committee. While meetings between CEOs serve a purpose, they are not a substitute for inter-agency communication at the coal face. It is preferable that those agency staff members most knowledgeable and involved in the licensing process forge informal working relationships with their counterparts in the other licensing agencies. These are the individuals who know the licensing framework intimately and will be central to making any changes to the frameworks. Most communication could occur by telephone and email with only occasional meetings on an as needed basis. DEC and Tourism Western Australia have applied an approach along these lines. District and regional office managers are encouraged by their respective agencies to communicate with their counterparts in the other agency. Interviewees from these agencies noted that at the regional level positive inter-agency working relationships have developed as a result.

**Recommendation 4: Develop informal working relationships**

Agencies should encourage greater informal inter-agency communication at the mid-management level along the lines of what DEC and Tourism Western Australia has done with their district and regional office managers. Greater communication between agency personnel who deal with licensing on a day-to-day basis and their counterparts at other licensing agencies would aid in pre-empting problems and giving consistent messages to tour operators.

Some face-to-face interagency meetings would be needed. However, rather than periodic committee meetings, meetings would be used for project-specific collaboration efforts (e.g. the development of co-sponsored training modules for tour operators).

**Issue: Reducing Information Costs**

The time tour operators require to attain licensing information is a compliance cost for their businesses. The more difficult the information is to locate the more cost to the business. Many of the licensing agencies identified a need to improve agency-operator information exchange and education.

To assess how easy or difficult it is to obtain information on licensing requirements, we contacted each of the licensing agencies just as a new tour operator might. For each agency our first stop was their website. In general, licensing information for tour operators was not readily accessible. Unless an operator approaches a licensing agency, by ringing or dropping by, they may well have difficulty in determining and accessing the licensing information they need. In addition, contacting one of the licensing agencies does not ensure that the tour operator will be made aware of the need to contact other licensing agencies.

Currently the primary access points for licensing information are the individual licensing agency websites. Unfortunately, other than DEC’s website, the agency web sites are difficult to navigate making access to licensing information difficult for tour operators. Only some licence applications can be downloaded online and none can be completed online (see Table 9). Website effectiveness could be improved through:

- Clear menu items linking operators to agency licensing requirements.
- Online applications for licences and renewals. All applications require a signature; for online applications an electronic signature could be used. Alternatively, a system could be established so that a signature is no longer needed (e.g. ticking a box indicating that an operator agrees to abide by the licence conditions), similar to paying online via credit card where a signature is not necessary.
- Hyperlinks directing tour operators to other licensing agencies.
- Information about the relationship between agency licences.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Licence name</th>
<th>Download application</th>
<th>Apply online</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEC</td>
<td>Commercial activity licence (T class - terrestrial reserves only)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Commercial activity licence (Marine Reserves only)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Commercial Marine Mammal Interaction Licence</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>DoF</td>
<td>Fishing Tour Operator’s licence</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Unrestricted Fishing Tour Operator’s licence</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Aquatic-Eco Tourism licence</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>DPI</td>
<td>Omnibus licence</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Ferry licence</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Certificate of Survey (Commercial Vessels)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Certificate of Competency-Commercial Vessel Operation</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
At present there is little or no information provided on the agency home pages about the relationship between the various agency permits/licenses. For example, the distinctions between DEC licences and permits issued by the Commonwealth’s Department of Environment and Heritage, e.g. marine mammal interaction in Commonwealth vs. State waters, are not clearly delineated. Not clearly identifying where and when agency licences/permits interact can be confusing for operators, especially new operators.

Complementary mechanisms for information dissemination are needed. DEC has developed an electronic newsletter, which includes information on licensing and is sent to tour operators. This is a positive initiative but it too is internet/email dependent, as there is a need to have a range of available options for receiving information. Although currently out of date, Tourism Western Australia’s guide to setting up new tourism businesses includes some information on licensing. It would be useful if the guide’s CD was updated with the latest information on licensing requirements for tour operators.

In the short term, agencies will continue to need to provide hard copy versions of online documents for those without internet access. Despite the popularity of the internet, it cannot be assumed that all tour operators have easy access to web based information. Australian Bureau of Statistics (ABS) data indicate that 70% of Australian businesses had internet access in 2003. However broadband connectivity among small and medium sized enterprises (i.e. less than 250 employees) was only 52% as of June 2004 (Caslon Analytics 2005).

Making tour operators aware that the information is available is half the battle. Other organisations that come into contact with tour operators could aid in making the information more accessible. This would involve distributing resource materials to organisations including: the Tourism Council of WA; Tourism Western Australia; the Small Business Development Corporation; the Sustainable Tourism CRC; Western Australian Hospitality and Tourism Industry Training Council; local tourism bureaus; the Commonwealth Department of Industry, Tourism and Resources; Outdoors Western Australia; Forum Advocating Cultural and Ecotourism (FACET); Charter Boat Owners and Operators Association, the Western Australian Indigenous Tourism Operators Committee and RecFish West. It would also be useful if the websites of these organisations provided hyperlinks to the relevant web pages of the licensing agencies.

Web-Based Decision Support Systems

The need to interact with multiple agencies is one of the frustrations for tour operators and has resulted in calls for a single government agency to oversee tour operator licensing. While it may not be realistic to centralise tour operator licensing in a single agency, creation of a ‘virtual’ one-stop licensing information shop is feasible and could lower operator transaction costs through the use of information technology (Cordella 2001).

Implementation of a web-based decision support system (DSS) would improve the licensing process by providing tour operators with a single contact point to determine licence requirements. Web-based DSSs are increasingly being used nationally and internationally by government agencies to help clients navigate bureaucratic approval processes. Consumers are provided an interactive experience in which they are asked to provide certain information. On the basis of the consumer-provided information, the DSS instantaneously provides the information the consumer is seeking.

An Australian example is the Small Business Development Corporation’s (SBDC) website (www.licence.sbdc.com.au/content/licenqindex.html). Its decision support tool helps small businesses to decide which licences they may need. A screen shot of the SBDC web interface is shown in Figure 1. The system currently enables tour operators to identify the wide range of potential licence requirements, including information about the licences and in some cases hyperlinks to licence applications (e.g., Swan River Trust - Application for Approval of Development).

A limitation of the SBDC DSS is that the results provide a plethora of potential licences, leaving the operator to decide which licences are applicable to their specific operation/tour. Licensing agencies should look to develop (more) specific questions to help operators narrow down their choices; this would reduce information costs for operators. Additional questions may include:

- Will clients be able to fish on your tour?
- On the following map click the national parks that you intend to operate in?
- Which of the following activities will your clients be able to partake in (e.g. bushwalking, abseiling, rock climbing)?

Questions similar to these will help narrow down which licences are required and identify which activities can be conducted where.
In the case of Western Australia nature tour operators, each licensing agency’s website could provide access to a shared DSS. Each licensing agency website would include a prominently displayed hyperlink to the DSS. When a tour operator accesses the DSS they would answer a series of online questions about the characteristics of their operation (e.g. location, size, activities). The tour operator would instantly be informed as to which licences they would need to acquire for their business (including a description of the application and applicable fees). The tour operator would also be hot linked to the location of applications. Development of such a web-based tool would incur implementation and coordination costs. Licensing agencies would need to collaborate in the design of the DSS. Over time, agencies would need to upgrade the DSS to reflect any changes in their licensing.

**Recommendation 5: Better use of IT to reduce information costs**

Better use of IT resources could reduce information costs for tour operators. Development of a multi-agency web-based DSS for tour operator licensing would provide a virtual one stop shop for licensing information and applications. All licensing agencies should have their applications online. At a minimum they should be downloadable and preferably capable of online completion and submittal. Applications should be linked to the DSS and available on individual agency websites. The effectiveness of the current agency websites could be improved through clearer menu items and links to the licensing information on other agency websites. Improved use could be made of the resources of other organisations with strong ties to tour operators by including information on licensing on their web pages. Despite the growing pervasiveness of the internet, there remains a need in the short term to be able to provide licensing information in hardcopy form.

**Issue: Managing Growing Tourism Pressures**

Striking the right balance between protecting our natural assets and accommodating the growing number of people who want to experience them will become the major challenge facing the managers of natural areas such as national parks. Increased visitor numbers will be accompanied by increased pressure on government agencies to allow more commercial tour operations to service these tourists. Others in the community and industry will take the opposite position, lobbying for no or marginal increases in licences.

One only need look at the experiences in North America and Queensland to realise that the potential for conflict is real. With increased visitors there will be a greater need to manage the stress placed on conservation and heritage values as well as the visitor experience. The licensing of commercial operators is one mechanism that will play an important role in managing the pressure from nature tourism. Decisions regarding the number, restrictions on, and allocation of licences are all potentially contentious. This will need to be complimented by a mechanism to limit/restrict the number of private users. This is typically the case when demand for a resource (e.g. water, forest, land) nears or outstrips supply.
Business impediments and recommendations

Queensland, with its much larger visitor and tour operator numbers, has already felt this pressure and started to address the issue. For instance, at Carnarvon Gorge National Park, the number of camping sites has been halved since the early 1990s (Jane Lennon & Associates 2001) to minimise impacts on conservation and heritage values. In 1997, the Great Barrier Reef was averaging 1.7 million visitor-days, with 85% of the tourism occurring in just 5% of the Park area (off Cairns and the Whitsundays). With developments in the technology and capacity of tour boats, the range of day trips has continued to increase. Soon virtually the whole reef will be accessible by day-trippers. An assessment of the Great Barrier Reef Marine Park (Wachenfeld et al. 1998) reported a range of negative impacts on the reef due to tourism, including:

- Damage to coral through poor anchoring and reef walking.
- Disturbance of nesting birds and vegetation on cays and sand dunes.
- Interference with whales, dugongs and turtles.
- Change in water quality through discharge of vessel sewage and bilge-water.
- Social impacts through crowding and disturbance.
- Cultural impacts on traditional Indigenous values and historic values.

The ecological impacts have been minimised or eliminated through a permit system which limits activities to areas where impacts will be small. Monitoring programs are in place to verify the effectiveness of the system (Jane Lennon & Associates 2001).

When the pressure for commercial licences was low, the old Queensland system of unrestricted licence numbers was viewed by all as fair and equitable. But as pressure grew, some previously unrestricted licences were changed to restricted status in an effort to ensure sustainability objectives are met. Moratoriums have been placed on the allocation of new permits.

Many of our ecological assets are fragile and in time, Western Australia will face some of the same challenges that Queensland is already experiencing. Monkey Mia is an example of an area of high conservation value in Western Australia that is already feeling the pressure of dramatically increased visitor numbers. The high level of controversy that surrounded the proposal to build a resort complex at Coral Bay demonstrated how politically sensitive finding the right balance between conservation and tourism can be. The Premier’s recent announcement of plans to ‘landbank’ sites for tourism development within environmentally sensitive areas in and around Western Australia national parks including the Kimberley Region’s World Heritage listed Purnululu National Park (i.e. the Bungle Bungles) is an indication that the State Government plans to facilitate development and growth in the nature tourism sector (Gallop 2005).

Due to this growth trend, the DoF indicated that they may need to limit the number of restricted fishing tour operator licences in order to meet management objectives in the future. If the growth in tourism continues this may also be the case for the DEC. Currently the DEC’s ‘T’ Class licence is unrestricted. Visitor and tour operator numbers have remained sufficiently low to prevent problems; however, the licence may need to become restricted when park carrying capacities are reached, e.g. switched over to an E-Class licence increasing the number of E-Class licences throughout the State.

The two-way agency-tour operator communication efforts initiated by several of the licensing agencies will prove beneficial when these pressures emerge. But good communication will not be enough. As the tourism and nature tourism markets expand, licensing agencies will find themselves under increasing pressure from the tourism industry and others (e.g. environmentalists) to defend their licence quotas and conditions. During an interview for this study, one agency indicated it had already received criticism of its licence quotas because its decisions were not transparent or lacked sufficient credibility in the eyes of others.

Decisions regarding licence quotas will need to be transparent and capable of addressing multiple
ecological and socio-economic objectives. They will need to be underpinned by good science. The concept of carrying capacity offers one approach to determining licence quotas. Carrying capacity can be viewed from two perspectives – the ecological carrying capacity and the visitor-experience carrying capacity. To meet conservation objectives the ecological carrying capacity is determined. The capacity or limit is reached when the direct and indirect effects of visitor activities impact on ecological values to an unacceptable level. In areas of high ecological value, such as those managed by the DEC, even a minor loss of value may be considered unacceptable.

Natural resource managers not only need to protect ecological values but increasingly they will be required to protect the quality of the visitor experience. Some visitors prefer to experience natural areas alone or largely devoid of other tourists. Others are willing to tolerate greater numbers in the same setting. The visitor-experience carrying capacity is reached when the number or behaviour of visitors diminishes the ‘nature experience’ of other visitors to an unacceptable level.

There are signs, that as in other parts of the world, the quality of visitor experience is becoming an issue for areas including Kakadu World Heritage Park. The following is from an article which appeared in Melbourne’s The Age newspaper (O’Sullivan, 28 May 2005):

This is the big one, Australia’s largest national park, all 22,000 square kilometres of it…. So, it should be easy to find a place to yourself in Kakadu, right? Well, no. As any number of disgruntled tourists will mutter, it can get a little squeezy in Kakadu, especially at peak periods. More than 200,000 people visit Kakadu each year, the majority from April to October…. The problem is that a sense of space and the sounds of silence are integral to the Kakadu experience. Those two magic, and sometimes elusive, ingredients are necessary if your visit to Kakadu is to go beyond holiday into lifelong memory. To take it all in – if indeed that is possible – you need to get away by yourself to have a sit and ponder, preferably surrounded by silence. Having to jostle for position on a boardwalk, wait your turn to get a close-up of the Lightning Man (right), or, worse still, listen to the strident sounds of competing tour guides doing their schtick can leave you wondering what all the fuss is about….

Methodologies such as the Limits of Acceptable Change (LAC) attempt to establish the maximum amount of alteration or change visitors are willing to accept in natural areas (Stankey et al. 1985; Lawson et al. 2003; Manning et al. 1995). It combines scientific investigation and evaluation with social perspectives and conditions. The LAC applies a collaborative resource management approach and thus relies on a strong relationship between the resource management agency and citizens. Technical planning and public participation are so tightly integrated that it is difficult to determine what is planning and what is participation (Yung 2000).

Equity issues are often at the core of disputes over licence allocations and quotas. These can pit the licensing agency against the tour operators or tour operators against one another. It can also pit the licensing agency and commercial nature tourism industry against non-commercial users of the same natural resources (e.g. recreationists). An illustration is the decade long battle between the U.S. National Park Service, tour operators, and non-commercial recreationists over access to that portion of the Colorado River flowing through the Grand Canyon National Park. Non-commercial user groups have brought several legal suits against the Service, charging that the permit allocation process is unfairly skewed in favour of commercial tour operators and the removal of fair market competition between river tour operators has resulted in a lack of affordable prices for concessions river trips.

Agency interviewees indicated that few if any of the nature tourism licensing in Western Australia is science based. A Western Australia study (Roger & Moore 2003) suggests that one reason is that wildlife scientists do not regard wildlife tourism and the impact of visitors on wildlife and their habitats as important; preferring to focus on the biology of threatened species and their management.

The fact that setting licence quotas and allocation procedures is not an easy task is another likely reason. Applying a carrying capacity approach would require:

- A sound scientific understanding of the relationship between use levels and social and resource conditions.
- Agreement on the acceptable level of ecological impact.
- Agreement on the acceptable level of impact on visitor experience by the activities of others.
- Agreement on an equitable means of allocating the limited number of licences.

In light of these concerns the DoF indicated that carrying capacity is an issue that is beginning to be looked at more closely. DoF now require, following their 1998 Review (Chapter 3), operators to maintain log books on their catch. The DoF is also looking at ways of combining commercial and recreational fishing; in order to fully understand the existing marine ecosystems (and their carrying capacities) the commercial and recreational catch numbers need to be looked at as a single catch.

Some Western Australian tour operators, who already hold licences, argue that a third form of carrying
capacity should be considered by licensing agencies – the capacity of the market to sustain economically viable tour operators. They contend that in some areas the number of existing tour operators is already economically unsustainable, although neither the ecological or social carrying capacity has been reached. They would like to see the number of operators in an area restricted on this basis. However, others would argue that state government should not play a role in limiting the number of licences so as to protect the economic well being of individual operators. Rather, that is better left to market forces.

Economic viability is a consideration in the DoF licence application for the Houtman Abrolhos Islands (Fisheries Western Australia 2005). When assessing proposals for commercial tourism, the Abrolhos Islands Management Authority ask whether or not the project is financially viable, as one of many criteria.

**Recommendation 6: Proactive stance on allocation issues**

The current level of tour operator dissatisfaction with the compliance costs imposed by the existing licensing frameworks is small relative to the potential for conflict as visitor numbers grow and with it pressure from tour operators and non-commercial users for access to areas of high conservation value. Western Australia’s conservation based licensing agencies have some lead time to prepare their regulatory and management responses to increased pressure from the nature tourism sector. This time needs to be used wisely if agencies are to be well positioned as visitor numbers increase. As demonstrated in other jurisdictions (e.g. the USA), determining limits to access and the distribution of access among stakeholders (e.g. commercial and non-commercial) is difficult from scientific, socio-economic and political perspectives. Issues such as licence quotas and allocation have real potential to result in conflict among stakeholders.

**Issue: Tour Operator Accreditation**

Accreditation programs have become an increasingly popular approach to managing the behaviour of tour operators. In Western Australia, the DEC offers tour operators seeking or renewing a Commercial Operations Licence the opportunity to increase the standard licence length of one year to three or five years, depending on the number of accreditation programs they have completed from an agency-approved list. Three-year licences can be issued to operators accredited with one tourism program or five years for two tourism programs.

During this study several Western Australia organisations expressed an interest in using accreditation to manage behaviour in the tourism industry. The Department of Sport and Recreation (DSR) has commenced a program to encourage industry to undertake a voluntary accreditation system to improve the quality and safety of sport and recreation activity operators with significant tourist clienteles. The RIA is also considering an accreditation program for ferry operators as part of plans for a licensing framework. The objective of the accreditation would be to improve the quality of passenger service provided by ferries transporting visitors to Rottnest Island.

Accreditation programs come in many forms. An accreditation program may be voluntary or mandatory (e.g. a licence requirement). It may be industry based or government based. In general, accreditation programs seek to:

- Ensure quality programs through the use of standards and evaluation criteria.
- Stimulate higher levels of quality and efficiency.
- Provide a system for public trust and accountability.

An accreditation industry has sprung up over the past 10 years. There is little doubt that a positive correlation exists between better quality products and services and business success. Many vendors of accreditation programs make substantial claims regarding the benefits of their products; however these claims are rarely supported by research. When independent assessment has been conducted, the outcomes have been mixed. A study of the ISO9000 quality certification program reported no proven link between ISO 9000 and improved business performance (Dick 2000). However, studies within the education and medical fields report positive outcomes attributable to accreditation programs although significant compliance costs were also acknowledged. Unfortunately the quality of accreditation programs is highly variable. Some are carefully structured, employing external evaluation and clear benchmarks for performance assessment. Others are superficial, lacking either an evaluation of whether or not objectives are met or external verification. In some instances, businesses are effectively buying a stamp of approval and the right to use the approved logo for marketing purposes. Some accreditation programs are little more than money spinners for the accrediting bodies;

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Although the definitions of accreditation and certification do differ, the two terms are often used interchangeably (Newsome et al. 2002). In the nature tourism industry emphasis is often placed on the accreditation of operators, however, what is really meant is certification (Newsome et al. 2002). In this study the term accreditation is used as it is more commonly used in the nature tourism industry.
offering little meaningful guidance to consumers. While accreditation is often viewed by industry as more desirable than the costs of government regulation and control, accreditation does impose its own compliance costs. Table 10 displays the general categories of benefits and costs.

**Table 10: Costs and benefits of accreditation**

<table>
<thead>
<tr>
<th>Cost Elements</th>
<th>Benefit Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Application and renewal fees</td>
<td>• Lever for performance improvement</td>
</tr>
<tr>
<td>• Ramp-up costs related to staff time</td>
<td>• Public trust and validation</td>
</tr>
<tr>
<td>• Consultants, if used</td>
<td>• Market differentiation</td>
</tr>
<tr>
<td>• Opportunity costs</td>
<td>• General ‘raising of the bar’ for the industry</td>
</tr>
<tr>
<td>• The cost of meeting the standards</td>
<td></td>
</tr>
</tbody>
</table>

Nature-based tourism industry operators have a number of international and national accreditation programs from which to choose. While tourism certification programs can offer real benefits in terms of modifying industry behaviour there are some concerns that the world-wide proliferation in tourism accreditation offerings (each with their own logos and labels) has made it difficult for tourists to distinguish exactly what is being certified (Synergy 2000). Somewhat against the international trend, accreditation offerings in the tourism sector in Australia have consolidated to a small number of widely endorsed (government and industry) accreditation programs (see Table 11). Of these, the Green Globe 21 accreditation program, the only international program, has been criticised by the WWF for being ‘process’ rather than ‘performance’ based (Synergy 2000).

**Table 11: Major Tourism and Nature Tourism Accreditation Programs**

<table>
<thead>
<tr>
<th>Accreditation Program</th>
<th>Program Provider</th>
<th>Fees</th>
<th>Logo</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Tourism Accreditation Program</td>
<td>Tourism Council Australia (Tourism Council WA)</td>
<td>Annual fees based on staff FTEs. Ranges from $160 (1-5 staff members) to $1400 (101+ members).</td>
<td><img src="image" alt="Logo" /></td>
</tr>
<tr>
<td>EcoCertification</td>
<td>Ecotourism Australia</td>
<td>Fees based on annual turnover. Annual fees ($220-$940). Three year renewal fee ($200-$730).</td>
<td><img src="image" alt="Logo" /></td>
</tr>
<tr>
<td>EcoGuide Australia Certification Program</td>
<td>Ecotourism Australia</td>
<td>Annual renewal fee of $154. Initial workplace assessment fee of $330</td>
<td><img src="image" alt="Logo" /></td>
</tr>
<tr>
<td>Green Globe 21 Accreditation</td>
<td>Green Globe</td>
<td>Annual benchmarking fee based on staff FTEs. 1-9 FTEs = $495; 10-49 FTEs = $950; 50+ FTEs = $1,975</td>
<td><img src="image" alt="Logo" /></td>
</tr>
</tbody>
</table>

The Tour Operator Handbook (Terrestrial) (CALM 2004) outlines the benefits of accreditation for tour operators as including the incentive of savings on licence renewal charges and longer licences. However, the financial cost of accreditation programs is not offset by the savings in licence renewal fees. Tour operators must value other aspects of accreditation (e.g. the longer licence length, marketing) if they are to invest in voluntary accreditation. In 1996, Parks Victoria implemented an incentive to support accreditation by offering accredited tour operators 3-year rather than the standard 1-year licences. However, this has not resulted in an increase in operators becoming accredited (DSE 2004). Of the 220 licenced operators, only 50 have some form of recognised accreditation.

The results seen in Victoria may be explained by looking to the theory of planned behaviour (TpB). The TpB identifies three components that affect the behaviour (in this case undertaking accreditation) of an individual. First is the ‘attitude toward the behaviour’, which is determined by an individual’s evaluation of the
outcomes of undertaking the identified behaviour. The second is ‘subjective norm’, which is determined by an individual’s perception of social or peer pressure to undertake the behaviour. The third component is ‘perceived behavioural control’, which is determined by an individual’s perception of barriers and whether or not these can be controlled (Ajzen 2002).

From the TpB, the low number of accredited operators may be due to: the outcomes are too costly to achieve or insignificant when achieved (e.g. operators do not see accreditation as helping to further conserve the environment), little social and/or peer pressure exists (e.g. tourism industry does not set an expectation that operators should be accredited), and/or there are too many barriers (e.g. little control over high costs, too difficult to undertake the necessary accreditation tasks, lack of control over the criteria to be met).

Well designed and monitored accreditation programs can make a positive contribution to impact management but accreditation is not a panacea and does generate compliance costs. For instance, a voluntary accreditation program may only attract the ‘good’ operators with ‘bad’ operators (i.e. the target population) not bothering to engage with the accreditation scheme. An unmonitored or self-monitored accreditation program provides little confidence that the intended management objectives will be met. As part of this study, we identified that few of the accreditation programs offered any formal assessment, an audit or evaluation, of the performance of the accreditation programs recommended for tour operators.

**Recommendation 7: Use accreditation cautiously**

Agencies should make certain that recommended accreditation programs match the management objectives of the licensing agencies. In other words, the accreditation programs need to target the behaviours that the licensing agency is concerned about with tour operators. All agency endorsed accreditation programs should include a formal third party assessment function to determine effectiveness and compliance.

Licensing agencies should recognise that accreditation programs are another form of compliance cost for tour operators. The benefits of acquiring accreditation should outweigh the costs to the tour operator.

### Issue: Few Existing Incentives to Improve Operations

The use of incentives is encouraged by the DoITR (2003); they suggest moving away from command and control regulation to incentive based management. Incentives may be a means of achieving best environmental practice without the use of accreditation.

It is recognised that profit is the primary incentive for operators; hence incentive systems are likely to be viewed positively by operators if they improve investment returns and commercial opportunities (DoITR 2003). There are a number of possible incentives (see Table 12).

**Table 12: Potential incentive options (DoITR 2003)**

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Example</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion within the park</td>
<td>Park ranger promotes the operator by word of month</td>
<td>Development of working relationship between park ranger and tour operator</td>
</tr>
<tr>
<td>Special opportunities</td>
<td>Inclusion of operators in research and monitoring, e.g. setting traps for feral animals, night surveys for wildlife</td>
<td>Added tourist attraction for operators</td>
</tr>
<tr>
<td>Special access</td>
<td>Guaranteed access</td>
<td>Offers operators great business security</td>
</tr>
</tbody>
</table>

Incentive programs operate best when used with low risk activities (e.g. improving industry professionalism) whereas mandatory standards (e.g. regulations) often work best with high risk activities (e.g. health and safety standards for abseiling) (Gunningham et al. 1998).

**Recommendation 8: Develop operator incentives**

Agencies should explore various forms of incentives to achieve best environmental practice, when activities are of low risk.
Issue: Business Management Skills of Tour operators

In past studies, tour operators have asked that licensing agencies show greater sensitivity to the business issues facing tour operators. A perceived lack of understanding of the tour industry by licensing agencies has been pointed to as a source of the problem. However, the tour operator industry contains a high percentage of small business operators many of whom likely have little or no training in the operation of such a business (McKercher & Robbins 1998). This means that they may not be well positioned to most efficiently and effectively manage the compliance issues created by licensing.

Improved business management skills offer a number of benefits to both operators and agencies. Better business skills would enable operators to submit well written proposals for restricted licences through Expressions of Interest. Operators would be better positioned to write proposals for funding from lending institutions. In addition, operators would be able to meet accreditation requirements as the skills would already be in place. Also with improved business skills less time is needed for ‘business’ aspects and compliance costs, leaving time to be innovative and to look at the ‘nature’ side of the operations.

In Western Australia, the Small Business Development Corporation (SBDC) is a source of information for small business operators. The SBDC conducts regular workshops for small business owners on topics ranging from the basics of business planning, to marketing, and contracting. However, these workshops are all conducted in Perth, which creates a barrier for tour operators who are predominantly located outside the Perth metropolitan area. The SBDC offerings are also not tailored specifically to meet the needs of tour operators.

An alternative would be to develop a training program specifically for tour operators that would cover business skills including compliance with licensing requirements. Such a training program could be co-sponsored by DEC, DoF, DPI and SBDC. Regional one-day workshops would be an appropriate format. An online version could also be used.

Recommendation 9: Develop business management training programs

Agencies, including the DEC, the DoF, the DPI, Tourism Western Australia and the SBDC, should look at developing training programs that are tailored to the needs to tour operators, including tour licensing requirements and business operations. The training programs should not only be held in Perth but also regional areas and online.
Chapter 6

CONCLUSION AND SUMMARY

The following is a condensed version of the recommendations discussed in Chapter 5. The action items or recommendations listed below aim to help agencies reduce compliance costs for tour operators. The recommendations are suggested action items, as agencies should mould the recommendations to fit their institutions (e.g. agency culture).

Recommendation 1: Review of compliance costs
Licensing agencies should, individually and collectively, review their licensing frameworks with an eye to reducing the compliance costs for tour operators. Possible options include: rolling renewals, longer licence length tied to professional performance and creation of a single source of information on licensing requirements (see Recommendation 5).

A basic principle of good negotiation is to treat the other party’s problem as your problem (Fisher & Ury 1991). Failure to solve their problem (e.g. high operator transaction costs) can impede an agency in achieving its objectives (e.g. responsible tour operator behaviour). Such an initiative should involve representatives of the nature tourism industry (see Recommendation 2).

Recommendation 2: Higher levels of engagement
Licensing agencies are encouraged to complement their traditional command and control approaches with collaborative planning initiatives, where appropriate. Agencies should engage in joint planning with the commercial nature tourism sector and foster partnerships.

Agencies also need to assess whether their staff members have the appropriate skills (e.g. negotiation skills) to successfully employ such approaches. If not, agencies need to look at approach means of training their staff.

Recommendation 3: Breaking down stereotypes
Conservation-based agencies should continue in their efforts to foster an organisational culture, which values the potential benefits of nature tourism in conservation efforts.

If some individual staff members need to modify their interactions with tour operators (e.g. change their communication style), they should be provided the skills to do so through training. Such training would include an opportunity to look through the eyes of tour operators in order to understand their perspective. Training should be followed up with performance recognition through evaluations and work assignments. On the other end, when hiring new staff the ability to adopt a multi-disciplinary perspective should be valued.

Operators also need the opportunity to look through the eyes of agencies. Greater profile needs to be given to the benefits licensing provides to the tour operators. Operators need a clearer understanding of the purpose of the various licences.

Recommendation 4: Develop informal working relationships
Agencies should encourage greater informal interagency communication at the mid-management level along the lines of what the DEC and Tourism Western Australia has done with their district and regional office managers. Greater communication between agency personnel who deal with licensing on a day-to-day basis and their counterparts at other licensing agencies would aid in pre-empting problems and giving consistent messages to tour operators.

Some face-to-face interagency meetings would be needed. However, rather than periodic committee meetings, meetings would be used for project-specific collaboration efforts (e.g. the development of cosponsored training modules for tour operators).
Recommendation 5: Better use of IT to reduce information costs

Better use of IT resources could reduce information costs for tour operators. Development of a multi-agency web-based DSS for tour operator licensing would provide a virtual (one) stop (shop) for licensing information and applications. The site would provide information on available licences and applications. At a minimum they should be downloadable and preferably capable of online completion and submittal. Applications should be linked to the DSS and available on individual agency websites.

This would require agencies to work together to develop the DSS, e.g. the questions and agency applications, and would require agencies to maintain the system, e.g. incorporate licensing changes.

Recommendation 6: Proactive stance on allocation issues

The current level of tour operator dissatisfaction with the compliance costs imposed by the existing licensing frameworks is small relative to the potential for conflict as visitor numbers grow and with it pressure from tour operators and non-commercial users for access to areas of high conservation value. Western Australia’s conservation based licensing agencies have some lead time to prepare their regulatory and management responses to increased pressure from the nature tourism sector. This time needs to be used wisely if agencies are to be well positioned as visitor numbers increase. As demonstrated in other jurisdictions (e.g. the USA), determining limits to access and the distribution of access among stakeholders (e.g. commercial and non-commercial) is difficult from scientific, socio-economic and political perspectives. Issues such as licence quotas and allocation have real potential to result in conflict among stakeholders.

Recommendation 7: Use accreditation cautiously

Agencies should make certain that recommended accreditation programs match the management objectives of the licensing agencies. In other words, the accreditation programs need to target the behaviours that the licensing agency is concerned about with tour operators. All agency endorsed accreditation programs should include a formal third party assessment function to determine effectiveness and compliance.

In addition, licensing agencies should recognise that accreditation programs are another form of compliance cost for tour operators. The benefits of acquiring accreditation should outweigh the costs to the tour operator.

Recommendation 8: Develop operator incentives

Agencies should explore various forms of incentives to achieve best environmental practice, when activities are of low risk.

Recommendation 9: Develop business management training programs

Agencies, including the DEC, the DoF, the DPI, Tourism Western Australia and the SBDC, should look at developing training programs that are tailored to the needs of tour operators, including tour licensing requirements and business operations. The training programs should not only be held in Perth but also regional areas and online.
## APPENDIX A: INTERVIEWEE LIST

<table>
<thead>
<tr>
<th>Name</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phil Badock</td>
<td>Department of Sport and Recreation</td>
</tr>
<tr>
<td>Tony Baker</td>
<td>Capitan Cook Cruises (charter boat operator)</td>
</tr>
<tr>
<td>Brad Daw</td>
<td>Rottnest Island Authority</td>
</tr>
<tr>
<td>Colleen Henry</td>
<td>Tourism Western Australia</td>
</tr>
<tr>
<td>Sally Hollis</td>
<td>Tourism Council WA</td>
</tr>
<tr>
<td>Colin Ingram</td>
<td>Department of Environment &amp; Conservation (formerly CALM)</td>
</tr>
<tr>
<td>Hugh MacLean</td>
<td>Department of Sport and Recreation</td>
</tr>
<tr>
<td>Daryl Miller</td>
<td>Swan River Trust</td>
</tr>
<tr>
<td>Rod Quartermain</td>
<td>Department of Environment &amp; Conservation (formerly CALM)</td>
</tr>
<tr>
<td>Phil Readhead</td>
<td>Department of Fisheries</td>
</tr>
<tr>
<td>Jim Sargeant</td>
<td>Tourism Western Australia</td>
</tr>
<tr>
<td>Sussan Shave</td>
<td>Rottnest Island Authority</td>
</tr>
<tr>
<td>Peter Tapsell</td>
<td>Swan River Trust</td>
</tr>
<tr>
<td>Russell Wilson</td>
<td>Hillary’s Fast Ferries (charter boat operator)</td>
</tr>
<tr>
<td>Ron Zappara</td>
<td>Department of Planning and Infrastructure</td>
</tr>
</tbody>
</table>
APPENDIX B: INTERVIEW GUIDE

INTERVIEW GUIDE

Theme 1: Licensing system (Structure)

1. Licences issued
   a. Type
   b. Duration of licence
   c. Transferability
   d. Legislation, regulation and/or policies providing power to issue
2. Application process – say that I am an operator can you take me through the application process?
   a. Paperwork
   b. Options for lodging applications – electronic, paper
   c. Turn around time
3. Renewal process
   a. Paperwork to filled in
   b. Criteria needed to be met
   c. Turn around time
4. Accreditation
   a. Is it needed?
   b. Does it play a role?
5. Have there been recent changes in the licensing process?

Theme 2: Impediments to effective licensing

1. Do you have any interaction with other agencies? How do their licences interact with your licences?
2. From a tour operator perspective, have you had any concerns expressed to you regarding the existing licensing framework?
3. From your perspective as an agency staff member do you have any concerns with regards to the existing licensing framework?

Theme 3: Policy improvements to ensure effective licensing

1. What changes would you make to the existing system? And why?
2. Do you think the differences in the licensing frameworks should be modified? How? Do you think this would make the current system more effective for licenced operators?
3. On the flip side, are their any aspects that you wouldn’t want changed?
APPENDIX C: LEGISLATIVE DETAILS

Department of Conservation and Land Management Licensing

Legislative powers

The DEC has two key roles in relation to tourism management. First, the Department is responsible for managing land, as defined by s5 of the Conservation and Land Management Act 1984 (WA) (CALM Act). Under s5 ‘land’ includes not only terrestrially based resources (state forest, timber reserves, national parks, conservation parks, nature reserves), but also marine based resources (marine nature reserves, marine parks and marine management area), and other land vested in either the Conservation Commission or the Marine Authority.

The second role sets the context in which these land or water resources are to be managed. The DEC is charged with conserving and preserving the fauna and flora of Western Australia and maintaining biodiversity. Powers to do so are derived from the Conservation and Land Management Act 1984 (s33) and the Wildlife Conservation Act 1950 (WA) (WC Act).

These roles and powers in conjunction with Sections 97A and 101 of the Conservation and Land Management Act 1984 and Part 7 of the Conservation and Land Management Regulations 2002 provide for a tourism licensing regime. S97A provides for the issuing of licences in regards to state forests, timber reserves and certain Crown land. S101 gives the power to issue licences for all ‘other land’. This is defined as the land identified by the Act, with the exception being land defined under Part 4 of the Land Administration Act 1997 (WA), which includes state forest, timber reserves and wilderness areas, and reserves.

Under Sections 97A and 101 the power to issue commercial operating licences is conferred to the Executive Director, with the approval of the Minister for the Environment. Approval is to be granted by the Minister after consultation with the Conservation Commission and/or the Marine Parks and Reserves Authority, where the land or water in question is vested in one of the authorities.

Licensing Framework as Defined by Policy

The DEC has developed policy for a two licence system – ‘T’ Class licences and ‘E’ Class licences. ‘T’ Class licences are general licences. The majority of tour operators apply for this licence if they plan to make use of protected areas managed by the DEC. They are unrestricted licences, meaning that an unlimited number of licences are available for application. The ‘T’ Class licence must be renewed annually, unless specified levels of accreditation are achieved. If accreditation is achieved the licence expires after either a 3 or 5 year period, depending on the level of accreditation. Licences are not transferable. If an operator chooses to sell their business the new operator must apply for a new ‘T’ Class licence.

The DEC has taken steps towards improving the turn around time of ‘T’ Class licence applications. Under the old system, the licence application was sent to each applicable body for approval, and then sent back to DEC for final approval. This was often a time consuming process. Since then a list of approved terrestrial activities has been created. The list has been approved by the appropriate bodies – Districts, Conservation Commission and/or Marine Parks and Reserves Authority. The list of approved terrestrial activities can be found in the Terrestrial Tour Operator Handbook. The Marine Tour Operator Handbook is currently under review.

Now when an application for an approved activity is lodged, the Executive Director can grant a licence without consultation with the applicable body(s). This has meant that the process can be completed within seven working days. The majority of lodged applications are for pre-approved conditions.

The ‘E’ Class licence is a restricted licence, meaning a limited number of licences exist. The number of available licences is restricted based on environmental, management and/or safety reasons. For example, the number of boat tours licenced for an area may be limited based on the size of the area and the potential for congestion resulting in environmental damage. The ‘E’ Class licence is granted for an initial five year period. At the end of the first five years the licence may be renewed for an additional five years, for a total licence period of ten years. At the end of the ten year period the licence is opened to a competitive process, in which an Expression of Interest (EOI) is undertaken.

EOI applicants are required to address a series of compliance criteria (e.g. nominated vessel maintains proper survey certification) and qualitative criteria (e.g. appropriate experience in the industry). Based on these criteria the EOI applicants are then evaluated by a pre-selected panel; the panel consists of: the DEC Project Manager, the DEC Executive Officer (non-voting role), Department of Environment and Heritage representative, Tourism Western Australia representative, DEC District representative, and a probity auditor (non-voting role). Following evaluation, the panel then provides a recommendation to the DEC’s Director of Parks & Visitor Services. The Director seeks approval from the appropriate authorities and the Minister for the Environment.

If an operator chooses to sell their business prior to the expiration of their licence, the licence is not
transferable, hence cannot be sold with the business. Instead the potential buyer can apply to DEC for a replacement ‘E’ Class licence. If the replacement licence is granted to the buyer it will be dated to expire on the date of the original licence.

Since November 2004, once a ‘T’ Class and or ‘E’ Class licence is granted or renewed, the operator is required to partake in the Tour Operator Online Education Program. Within three months of obtaining a licence an operator is required to access the web based program, which provides a brief description of general licence conditions followed by a multiple-choice ten question test. Operators receive a certificate when all ten questions are answered correctly.

Department of Fisheries Licensing

Legislative Powers

Section 3 of the Fish Resources Management Act 1994 (WA) (FRM Act) highlights the responsibilities of the DoF. The Department is responsible for conserving, developing and sharing fish and fish habitats in Western Australian waters, within the context of intergenerational equity. Fish, as defined by s 4 of the FRM Act, are aquatic organisms of any species, dead or alive, and their reproductive components (e.g. eggs, larva). The definition of fish under s 4 does not include ‘aquatic mammals, aquatic reptiles, aquatic birds, amphibians or … pearl oysters’. Western Australian waters are defined by s 5 of the FRM Act; they include all water within the limits of the State, which includes the activities that lay outside the jurisdiction of the Commonwealth as defined by the Fisheries Management Act 1991 (Cth).

The FRM Act delegates power to the DoF to manage: fishing, aquaculture and associated industries, and aquatic ecotourism and other tourism reliant on fishing. Along with management of fishing related industry the Department has the responsibility to seek optimum economic and social benefits while conserving fish and protecting their environment (s3).

The responsibility to manage aquatic ecotourism and other tourism reliant on fishing did not come into effect until after a 1996/97 DoF review of the aquatic charter industry. Prior to the review, operators were required to adhere to recreational fishing regulations (size, bag and possession limits) and DEC guidelines for those activities within DEC’s jurisdiction.

The review resulted in a number of amendments to the FRM Act and the Fish Resources Management Regulations 1995. This included the addition of responsibility for management of aquatic ecotourism and other tourism reliant on fishing as well as the responsibility to develop of a licensing regime. The powers to licence aquatic charter operators found in the amendments are further detailed by the policy – Ministerial Policy Guidelines: Assessment of Applications for the Granting, Renewal or Transfer of Fishing Tour Operators Licences and Aquatic Ecotourism Operators Licences, January 2000.

Licensing Framework

Three types of licences were developed – the fishing tour operator licence, the restricted fishing tour operator licence and the aquatic ecotour operator licence.

A fishing tour operator licence provides the operator’s clients the opportunity to fish during the tour and to take home the catch. The number of fishing tour operator licences issued was capped on 12 September 1997. From September 1997 no additional licences are to be granted unless an extraordinary circumstance is identified. The September date provided a precautionary mechanism for restricting the number of operators, at a time when there was not enough scientific data available to identify a sustainable number of operators. With the introduction of log books, there may be scientific data available in the future to revisit the number of operators able to obtain licences.

The restricted fishing tour operator licence allows clients on ecotours to catch fish as food to be consumed on tour, rather than taken home at the end of the tour. Both the fishing and restricted fishing tour operators continue to also be regulated by the provisions of the FRM Act that apply to recreational fishing. In addition to the recreational fishing regulations, operators are required to maintain log books. The books hold records of the fish caught by each boat.

Holders of ecotour licences can observe or feed fish in their natural habitat but are not allowed to take fish during the tour. Aquatic ecotour licences are granted for operations that are outside the jurisdiction of DEC, e.g. outside DEC marine reserves.

Each of these licence types has subcategories. The subcategories provide different regulations based on the size of the boat used during the operation of the tour. The primary divisions are: greater than 7.5 m in length (a.k.a. big boat licences), 7.5 m or less in length and land based operators. Land based operators fish from the shoreline with the majority located in the south-west of Western Australia.

The Ministerial Policy Guidelines provide a detailed description of the criteria to be met in order for a licence to be granted, with regards to the restricted fish licence, aquatic ecotour licence, and in exceptional cases for
unrestricted licences. The criteria require: the submission of a business plan and an identification of resources available to the operator, identification of the compatibility of the operation with existing management objectives and compliance of the operation with environmental standards.

As defined by the FRM Regulations, the Executive Director has the ability to grant the available licences if the applicant is ‘fit and proper’ ‘to hold the licence’ and granting is in the ‘interests of the management of commercial and recreational fishing’ (s128J). The licences are renewed on an annual basis, providing the operator has not contravened the FRM Act or the FRM Regulations.

All of the existing licences are transferable. If a licence is being transferred between operators, the ‘new’ operator must provide the DoF with an operation plan, a police clearance and documentation proving they have not contravened the FRM Act and the FRM Regulations. To cover the costs of transferring the licence the purchaser or ‘new’ operator must pay an administration fee to the DoF.

Department of Planning and Infrastructure Licensing

Terrestrial

The DPI has a role in licensing terrestrial modes of transport involved in the tourism industry. Under Part III Division 2 of the Transport Co-ordination Act 1966 (WA) (Transport Act) the DPI has the responsibility to licence omnibuses. Omnibus, as defined by s4 is ‘a motor vehicle used or intended to be used as a passenger vehicle to carry passengers for hire or reward … but does not include a vehicle operating as a taxi’. Within the context of tourism, this includes tour buses.

Licences are approved by the Minister. Under the Transport Act the Minister has the power to attach conditions to a licence, including route, timetable and fares. The Minister may grant the licence for a period of ‘not more than 7 years’, as defined in s30. The licences are not transferable unless specifically approved by the Minister. The Minister may approve a transfer in cases where the remaining time on a licence is being bought without the payment of a premium.

Under the Road Traffic (Inspection of Vehicles) Notice 1997, which amends the Road Traffic Act 1974 (WA), omnibus operators are required to have their vehicles examined. The examinations are to occur on an annual basis. They are to be examined at any Examination Centre or Approved Inspection Station.

Marine

The DPI also has a role in licensing marine modes of transportation. Under Part III Division 4A of the Transport Act the DPI has the responsibility for licensing ferries. Ferries are defined by s3 of the Transport Act as vessels that carry passengers for ‘hire or reward’, including vessels ‘used by or on behalf of the Crown’. Vessels exempt from the definition of ‘ferry’ include: vessels with a carrying capacity of 30 passengers or less, vessels organising charter trips, and vessels organising fishing/underwater diving expeditions, and vessels used in emergency operations.

Ferry licences are granted at the discretion of the Minister. When granting a licence the Minister may attach conditions to the licence, as outlined in s47AF(1) of the Transport Act. Via attached conditions the Minister may specify the route, timetable or fares of a ferry or require specific records to be kept.

Ferry licences are granted for a duration of one year, as outlined in s47AA(2) of the Transport Act. All ferry licences have a common expiration date – 30 September.

The DPI’s responsibility for granting ferry licences includes boats that transport tourists to Rottnest Island. Prior to the DPI licence approval, the ferry licence applicant must have approval from the RIA to operate the ferry.

Also within the marine jurisdiction of the DPI is the Commercial Vessel Safety Branch. This Branch is responsible for surveying vessels for commercial operation in Western Australia. Vessels are required to be surveyed during construction and throughout the life of the vessel. The surveys review vessels according to pre-set standards for safety equipment (including fire safety), construction and stability. DEC requires the completion of a survey prior to granting of a licence, for those tour operations that require a boat.

Much of the responsibility placed upon the Commercial Vessel Safety Branch is outlined in the Western Australia Marine Act 1982 (WA) (WA Marine Act), and its subsequent regulations. The majority of regulations are constructed based on the Western Australia Marine Act and Uniform Shipping Laws (USL) Code. The USL Code has been taken up by the Australian Transport Council. The purpose of the Code is to provide legislative uniformity among the Commonwealth, States and the Northern Territory with regards to commercial vessel operation, which includes vessel surveys.
Swan River Trust Licensing

The Swan River Trust (the Trust) was established by the Swan River Trust Act 1988 (WA) (SRT Act) to manage and protect the management area (s7). The management area consists of the water of the Swan River and the adjoining lands. The lands, which include the adjoining reserved parks and recreation areas, are delineated by clause 12 of the Metropolitan Region Scheme. This provides for the inclusion of Crown land within the identified area but excludes private land. The waters of the Swan River are defined by Schedule 1 as including: ‘the Swan River upstream of the Fremantle Port Authority boundary’, ‘the Avon River to its confluence with Moondyne Brook’, ‘the Helena River to the lower diversion dam on the river’, ‘the Southern River to Allen Road crossing’, and ‘the Canning River to its confluence with Stinton Creek’.

The Trust is required to consider, consult and report on development proposals for the management area. Under Part 5 of the SRT Act, the Trust is to consider such proposals, consult with the appropriate authorities (including local governments) with jurisdiction of the development area, and report to the Minister on the findings. The Minister then has the power to approve the development proposal.

If a tour operator wishes to conduct activities within the management area they need to lodge a development application. However, construction (e.g. an operator owned jetty) is not allowed in floodways; floodways are the areas on either side of the river that act as channels for flood waters (overflowing water). Licences are also restricted in that no one is allowed to live on the water for more than six consecutive days. This stipulation specifically applies to house boats; policy states that no more than five houseboats are allowed on the river. Beyond the stipulations, applications are typically reviewed with a specific focus on the essential connection between the operator’s activity and the river (i.e. river dependency of the activity).

To manage and protect the management area the Trust also is responsible for coordinating efforts and activities with other bodies, bodies that perform functions in relation to the management area (s7). This includes providing advice to planning authorities and advice on public education programs.

However, these powers are currently being amended. In early 2004, the government announced its intention to provide the Trust with greater powers to manage the river system. As a result, the Trust released a discussion paper for public consultation in December 2004. The discussion paper, New era for the rivers: Draft Swan and Canning Rivers Management Bill, outlined a number of proposed changes. The SRT is seeking a means of streamlining the licensing application process by looking at various ways of creating a single stop for operators. It has been recognised that a single stop is not practical; the necessary expertise to approve licences cannot be housed in a single location. However, consideration has been given to developing a referral system or an initial port of call for all operators. Under the system operators would approach a single agency and then would be subsequently referred to the appropriate agencies for further licensing.

In addition, the proposed amendments move away from the current management structure, which focuses on the river towards a catchment management structure that focuses on the river and its catchment. To help facilitate this, the proposed amendments recommend that the Swan Canning Riverpark (Riverpark) be created, with management of the park coordinated by the SRT. The Riverpark will include the current management area with the addition of the riverbed. In managing the Riverpark the amendments slightly alter the functions of the SRT, in that the SRT would be responsible for maintaining and coordinating efforts to preserve the ecological and community benefits of the river system.

A number of the previous activities requiring development approval would now need a licence rather than a development approval, including the majority of tourism activities. Another aspect potentially affecting tourism, is the aim to facilitate a ‘whole of government’ approach to managing the river system. This approach may be able to provide a port of call for tour operators, in that operators approach SRT rather than via their ‘whole of government’ approach to pass along the applicant to the next appropriate licensing agency.

Rottnest Island Authority Licensing

Rottnest Island is approximately 18 km from the Port of Fremantle. The Island is designated as an A-Class Reserve, as defined by the Land Administration Act 1997 (WA). The terrestrial portion of the Reserve consists of 200 hectares of ‘settlement’ area and 200 hectares of salt lakes and swamps (RIA 2004). The Reserve also contains approximately 3800 hectares of sea surrounding the Island (RIA 2004).

Rottnest Island is managed by the RIA. The RIA became a statutory authority in 1987 with the commencement of the Rottnest Island Authority Act 1987 (WA) (RIA Act). The RIA is responsible for control and management of Rottnest Island (s11 of the RIA Act), including:

- providing and operating recreational and holiday facilities on the Island;
- protecting the flora and fauna of the Island; and
- maintaining and protecting the natural environment and man-made resources of the Island, and where possible repair the Island’s natural environment.

The Authority is comprised of 6 members, one being the chairperson (s6 of the RIA Act). The members are appointed by the Governor, via recommendation of the Minister. The RIA manages the Island but the day-to-day activities are overseen by the Chief Executive Officer, supported by 100+ staff.
REFERENCES


Business impediments and recommendations


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AUTHORS

Sabrina Genter

Sabrina Genter is a Project Manager at Beckwith & Associates. She holds a Bachelor's of Environmental Studies from Michigan State University, USA and a Master’s of Philosophy in Environmental Science from Murdoch University, Australia. She has worked as an environmental consultant in the US and a Visiting Research Associate at Murdoch University. Her research focused on the evaluation of natural resource management policy with an emphasis on the conservation of biodiversity. She has experience in the fields of environmental remediation, policy environmental assessment, natural resource management policy, environmental law and public involvement. Email: sgenter@bigpond.net.au

Dr Jo Ann Beckwith

Dr Beckwith is Director of Beckwith Environmental Planning Pty Ltd. She has more than 15 years experience in environmental planning, impact assessment, strategic planning, public involvement, conflict resolution and social science research. Jo Ann has a PhD in cognitive psychology (Curtin University of Technology, Australia), a Master's degree in environmental studies (York University, Canada) and a Bachelor's of Science in biology (Dalhousie University, Canada). During her career she has worked in Australia, Canada and the United States of America. She is an Associate Professor in Environmental Planning and Policy at Michigan State University. Email: jbeckwit@bigpond.net.au

Dr David Annandale

Dr Annandale manages an international environmental and social issues consulting business, and holds an appointment as Head of School and Senior Lecturer in Environmental Assessment and Policy at Murdoch University in Perth. Dr Annandale’s specialist fields of expertise include: environmental impact assessment; strategic environmental assessment; social impact assessment and public participation; regulatory analysis and business/environment linkages; environmental management systems/environmental auditing; environmental conflict resolution, multi-criteria analysis; energy and environmental institution strengthening; Asian environmental policy; and environmental and social strategy for multi-lateral banks. Email: D.Annandale@murdoch.edu.au
The Sustainable Tourism Cooperative Research Centre (STCRC) is established under the Australian Government’s Cooperative Research Centres Program. STCRC is the world’s leading scientific institution delivering research to support the sustainability of travel and tourism - one of the world’s largest and fastest growing industries.

Research Programs

Tourism is a dynamic industry comprising many sectors from accommodation to hospitality, transportation to retail and many more. STCRC’s research program addresses the challenges faced by small and large operators, tourism destinations and natural resource managers.

Areas of Research Expertise: Research teams in five discipline areas - modelling, environmental science, engineering & architecture, information & communication technology and tourism management, focus on three research programs:

- **Sustainable Resources:** Natural and cultural heritage sites serve as a foundation for tourism in Australia. These sites exist in rural and remote Australia and are environmentally sensitive requiring specialist infrastructure, technologies and management.

- **Sustainable Enterprises:** Enterprises that adhere to best practices, innovate, and harness the latest technologies will be more likely to prosper.

- **Sustainable Destinations:** Infrastructural, economic, social and environmental aspects of tourism development are examined simultaneously.

Education

- **Postgraduate Students:** STCRC’s Education Program recruits high quality postgraduate students and provides scholarships, capacity building, research training and professional development opportunities.

- **THE-ICE:** Promotes excellence in Australian Tourism and Hospitality Education and facilitates its export to international markets.

Extension & Commercialisation

STCRC uses its research network, spin-off companies and partnerships to extend knowledge and deliver innovation to the tourism industry. STCRC endeavours to secure investment in the development of its research into new services, technologies and commercial operations.

Sustainable Tourism Cooperative Research Centre

CAIRNS
NQ Coordinator
Prof Bruce Prideaux
Tel: +61 7 4042 1039
bruce.prideaux@jcu.edu.au

BRISBANE
SE QLD Coordinator
Mr Noel Scott
Tel: +61 7 3381 1024
noel.scott@uq.edu.au

LISMORE
NSW Coordinator
Regional Tourism Research
Dr Jeremy Buultjens
Tel: +61 2 6620 3382
jbuultje@scu.edu.au

SYDNEY
Sustainable Destinations
Mr Ray Spurr
Tel: +61 2 9385 1600
t.spurr@unsw.edu.au

HOBART
TAS Coordinator
Adjunct Prof Malcolm Wells
Tel: +61 3 6226 7688
Malcolm.Wells@utas.edu.au

CANBERRA
AGT Coordinator
Dr Trevor Mules
Tel: +61 2 6201 2589
Trevor.Mules@canberra.edu.au

DARWIN
NT Coordinator
Ms Alicia Boyle
Tel: +61 8 8946 7267
alicia.boyle@cdu.edu.au

PERTH
WA Coordinator
Dr Jeremy Northcote
Tel: +61 8 6304 2307
j.northcote@ecu.edu.au

ADELAIDE
SA Coordinator
Gary Crilley
Tel: +61 8 8302 5163
gary.crilley@unisa.edu.au

MELBOURNE
VIC Coordinator
A/Prof Sue Beeton
Tel: +61 3 9479 3500
s.beeton@latrobe.edu.au

INDUSTRY PARTNERS

UNIVERSITY PARTNERS

SPIN-OFF COMPANIES

CRC for Sustainable Tourism Pty Ltd
ABN 53 077 407 286
Gold Coast Campus
Griffith University Qld
Australia 4222
Telephone: +61 7 5552 8172
Facsimile: +61 7 5552 8171
Chairman: Sir Frank Moore AO
Chief Executive: Ian Keen
Website: www.crctourism.com.au
Email: info@crctourism.com.au

CRC
An Australian Government Initiative
International Centre
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and Hospitality Education

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