

**ANZECC BEST
PRACTICE/BENCHMARKING PROGRAM**

**Commercial Management Processes in the
Delivery of Park Services**

1999

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1. INTRODUCTION

Park agencies employ a variety of strategies and philosophies for awarding and managing park and protected area commercial and concession activity. The strategies, and often the philosophy, are shaped by inquiries from the private sector to operate park-based ecotourism related enterprise and a demand from the public for improved services and recreational opportunities; and with smaller government.

A significant amount of work has been completed on commercial and group associated park based activity through studies already undertaken by the ANZECC partners. Recent studies include:

- 'Benchmarking and Best Practice Program: User Pays Revenue' - Prepared for ANZECC by the Queensland National Parks and Wildlife Service, 1996;
- 'Arrangements for Infrastructure Based Concessions' - Queensland National Parks and Wildlife Service, 1996;
- 'Business Management Framework' - Victorian National Parks Service, 1996;
- 'A Review of Current Systems for Licensing Organised Group Activities in Protected Areas in Australia' - NSW National Parks and Wildlife Service, 1997.

This project will draw on some of the findings of the above studies and, by investigating current preferences, seek to provide new information on how agencies might conduct business.

2. EXECUTIVE SUMMARY

This report describes a Commercial Management Benchmarking and Best Practice project undertaken by the Parks and Wildlife Commission of the Northern Territory for the ANZECC National Parks and Protected Area Management Committee.

Park agencies employ a variety of strategies for awarding and managing commercial and concession activity. The strategies may be shaped by inquiries from the private sector to operate park-based ecotourism related enterprise and a demand from the public for improved services and recreational opportunities.

The project has developed best practice criteria for awarding and monitoring park based leases, concessions, alien tenure and agency operated commercial enterprise in the quest for continuous improvement in the delivery of visitor services. The material was sourced primarily from responses received from the Commercial Management questionnaire distributed to each of the ANZECC partners, and responses and advice from the ANZECC Working Group and their nominated project officers. The Commercial Management questionnaire has established the preliminary benchmarks from which Agencies may measure performance.

3. COMMERCIAL CONCESSIONS OUTCOMES

The Commercial Concessions categories of leases, licenses, agreements, alien tenure, apiculture and commercial filming were examined. The report has identified some best practice criteria that may be used in pursuit of identified benchmarks. The criteria include the need for a full understanding of the laws that allow or constrain Agencies from issuing concessions; written policy for all concession categories; training; review; coordination, consistency, timeliness and accountability.

The criteria, in turn, have provided recommendations for Agencies to:

- Have in place an inventory of legislation and other controls affecting the granting of Commercial Concessions;
- Quantify planning for commercial activity by having a business plan(s) that accords with legislation, policy, corporate direction and which address cost benefit outcomes;
- Have in place mechanisms to encourage the programmed review of concession legislation, policy and procedures;
- Operate to a Code of Conduct for assessing and awarding concessions; an aid to accountable decision making;
- Manage the Complex Concessions process centrally with Simple Concessions issued Regionally, subject to quality safeguards and Agency wide standards;
- Manage concession data electronically via a central database, with Regional access, to ensure the ready input and retrieval of concessions information and performance;
- Strike a working balance between centralised licensing controls and timely decentralised (Regional) decision and license issuing practice;
- Actively discourage alien tenure unless there is essential political or community need for it; and
- For ANZECC, through the partner Agencies, to review the 1987 'Guidelines for Concessions Management in National Parks and Other Protected Areas'; nominating a lead agency to manage the process.

A summary of a preferred model for awarding leases and concessions is shown below and is based on the findings of the report. The complete model may be found at page 9 of the main report.

The Commercial Management Best Practice Model



Agency Operated Enterprise

Much of the criteria and recommendations that apply to Commercial Concessions is relevant to Agency Operated Enterprise and if followed may improve the perception of it. As a result, the key recommendations for Agency Operated Enterprise (AOE) is for Agencies to:

- Similar to Commercial Concessions, subject the provision of AOE to internal and external legislation and controls, as required, with the application of its requirements diligently applied;
- Have in place Policies and Business Plans for the full range of AOE and which address cost benefit outcomes;
- Have in place mechanisms to encourage the programmed review of concessions legislation, policy and procedures; and
- Include Agency Operated Enterprise in (database) management systems alongside Licenses and Leases.

Concession Services

Four concession types were identified by this report and categorised as leases, licenses, alien tenure and agency operated enterprise.

At the higher end, leases are used when there is an interest in land and a concessionaire expends significant capital investment; or they may be used for shorter-term accommodation arrangements.

Where buildings are owned or managed by the Agency, a license may be a quicker and more flexible alternative for private commercial operations.

Leases terms can be as long as 45 years for significant facilities and licenses can range from 5 + 5 years to as short as 1 day for one-off activities.

Alien tenure covers a narrow range of activity that includes utility installations and easements, dams and catchments, grazing, agistment, apiculture and in Victoria, horticulture.

The range of agency operated enterprise includes merchandising, entry passes, food services, guided tours, equipment hire, accommodation and camping. The provision of these activities was found readily interchangeable between Agency staff and private concessionaires.

Improved services have resulted when licensing arrangements are appropriate and there is good liaison between Agency staff and concessionaires.

Conclusion

This benchmarking best practice program found that there are a number of avenues that Agencies may use to pursue best practice administration and management of commercial concessions and agency operated enterprise.

This conclusion is drawn on the understanding that benchmarking, in this instance, is a comparative tool that has subjective limitations.

The avenues are private sector provided services, private sector (contract) managed services and agency operated enterprise.

However, it is the benchmarks and the sharing of information, ideas and options that the Benchmarking and Best Practice programs provide which assist agencies to pursue continuous improvement strategies.

The benchmarks will no doubt change but the objectives of environmentally, socially and economically sustainable outcomes, which are compatible with park management ideals, will remain.

4. PURPOSE AND OBJECTIVES

Purpose

The purpose of this benchmarking best practice project is to develop a best practice model for awarding and monitoring park based leases, concessions, alien tenure and agency operated commercial enterprise. The philosophy behind the model is that of continuous improvement for the delivery of visitor services.

Objectives

The objective of this project is to apply benchmarking techniques to develop a best practice model of commercial management.

5. SCOPE AND METHODOLOGY

Scope of the Project

The scope of the project is determined by the need to establish criteria for the best practice commercial delivery of park services which addresses:

- Decision Authority
- Policy
- Business Planning
- Assessment and Approval Processes
- Tenure
- Monitoring and Evaluation

Methodology

The resource information for this project comes primarily from the previously mentioned studies:

- Benchmarking and Best Practice Program: User Pays Revenue;
- 'Arrangements for Infrastructure Based Concessions';
- 'Business Management Framework';
- 'A Review of Current Systems for Licensing Organised Group Activities in Protected Areas in Australia'.

And from:

- The responses received from questionnaires distributed to each of the ANZECC partner agencies, and
- Feedback and advice from the ANZECC Working Group and the nominated project officers of each agency.

The methodology employed involved the following steps:

- Development of a project brief in consultation with the nominated officers.
- Through the distribution of questionnaires to each of the agencies gather specific information about leases, licences, concession agreements, alien tenure, apiculture permits, commercial filming and agency operated concessions.
- Drafting a best practice model based on information received from the survey.
- Circulation of the draft findings to the nominated officers for feedback.
- Incorporation of any amendments and circulation of the second draft to the ANZECC National Parks and Protected Areas Management Working Group for consideration.
- Compilation of final report and distribution to ANZECC partner agencies.

6. DEFINITIONS

For the purpose of this project, the following definitions are adopted:

Agency is a New Zealand or an Australian Federal, State or Territory authority that is responsible for the care, control and management of conserved lands.

Agency Operated Enterprise (AOE) is a commercial activity undertaken directly by agency employees and includes the provision and management of campgrounds and other forms of commercial accommodation, kiosk services and guided tours.

Alien Tenure is an easement, lease or licence over, or for the occupation of, an area of land or seabed under the care control and management of an agency for a purpose that may have no connection with the objectives for which the area was reserved.

Commercial Filming is the making for sale, hire or other reward of movie film, video record, colour or monochrome photographs and digital filming or photography of all types.

Complex Concession is campground management, kiosk operations, safari camp, complex tours such as guided boat tours, caves management, etc.

Concession is a right granted by way of a lease, licence, permit or other form of authorisation for the purpose of conducting trade or commerce on an area of land, sea bed, or water or airspace under the care, control and management of an agency.

Contract Service is where the private sector is paid to provide management of a concession with income retained by Agency.

Lease is a right granted for the occupation of an area of land or seabed that is under the direct ownership of an agency or that is granted by the owner of land managed by the agency (not alien tenure).

Licence is a permit, licence or other approval granted by an agency for the conduct of trade or commerce on an area of land, seabed, or water or airspace under the care, control and management of an agency.

Procurement is the advertising, assessment and selection process involved in the issue of a lease, licence or concession.

Simple Concession is routine concessions, tour operations, single event activities.

Trade or Commercial Activity includes selling, offering or exposing for sale any article, plying for hire any goods and services, photography for commercial purposes and the conduct of a tour, safari or excursion.

7. BEST PRACTICE OUTCOMES

The Commercial Management 'Good Practice - Poor Practice' Questionnaire is the foundation on which this Best Practice Report is developed. The comprehensive set of questions cover a variety of issues affecting the awarding and management of leases, licenses and agency operated enterprise. The results are included at Appendix A.

Through its categories and concession types, the questionnaire has provided preliminary benchmarks for Agency based commercial management. The categories cover a range of functions from attention to legislation, internal approval processes, procurement, review and administration. The concession types are tour operator licensing, commercial leases and alien tenure.

8. COMMERCIAL CONCESSIONS

The Commercial Management questionnaire examined the topics of leases, licenses, agreements, alien tenure, apiculture, commercial filming and agency operated enterprise. This section, Commercial Concessions accounts for all topics except Agency Operated Enterprise, which is dealt with later in the report.

The criteria exhibited in the following sections demonstrate the collective thoughts of Agency commercial staff toward best practice.

The Commercial Management section concludes with the presentation of a Commercial Management Best Practice Model.

8.a. Legislative Compliance

Legislation, or the lack of it, directs whether Agencies may contemplate commercially provided concessionary services. The obligations are not bounded purely by legislation. There are many issues to consider, ranging from Plans of Management, other Government approval obligations and internal Agency decision processes.

SURVEY FINDINGS:

- Major concessions warrant Chief Executive Officer (CEO) approval.
- Though not conclusive, there is opinion that Major concessions also warrant Ministerial support.
- Minor concessions do not warrant Ministerial or Executive approval.
- When land is managed but not owned by an Agency, Land Owner approval (inclusive of Native Title) should be in place before concessions and particularly leases are issued. One Agency prefers that the onus for obtaining Native Title rest with the proponent.
- With one exception only, Agencies believe that concessions should be issued (directly) by the Agency.
- Concessions should comply with a Plan of Management, where a Plan exists.
- Where there is no Plan of Management legitimate alternative authority should be sought, however, this form of approval should not be pursued as a means of circumventing community expectation.
- Before granting concession(s), Agencies should diligently research general legislative requirements to ensure concessions are consistent with State, Commonwealth and Municipal laws.
- Where concessions are legitimate, Agencies should act responsibly and apply delegated authority.

Key Result:

That Agencies have in place an inventory of legislation and other controls affecting the granting of Commercial Concessions.

8.b. Guidelines for Granting Concessions

It is apparent that no Agency should operate in a policy or procedural vacuum and Bickerstaff reinforces this view in his report 'A Review of Current Systems for Licensing Organised Group Activities in Protected Areas in Australia', and concludes that agencies should:

- Frame licensing policy as a consistent and logical output of higher policy;
- Be clear about why to license. Is it to determine levels and patterns of park use, raise revenue, manage risk or to ensure that appropriate standards are met?
- Understand their relationship with tour operators. Is it competitor, partner or business client?
- Clearly identify who should be licensed, how the process should be managed and what the level of economic return should be;
- Establish uniform state/territory licensing arrangements, and
- Convene a working party at the national level to consider developing a nationally portable tour operator licensing system.

SURVEY FINDINGS:

- Agencies have in place written Policy that accords with legislation; identifies the who, how, why and when of concessions; and which policy may be viewed by the public.
- There are comprehensive guidelines, which are applied uniformly across an Agency; expedite speedy but appropriate results; and identify core conditions and parameters.
- Corporate Plans can provide strategic direction for concessions and ideally will be supported by business or financial planning.
- Practitioners who grant and monitor concessions should be adequately trained and aware of policy and guidelines.

Key Result

Planning for commercial activity is quantified by a business plan(s) that accords with legislation, policy, corporate direction and which address cost benefit outcomes.

8.c. Reviewing the Rules

The procedures for determining the appropriateness for and granting of Leases and Licenses should be subject to programmed review. Without programming, the review process may be overlooked or delayed indefinitely and so expose Agencies to unnecessary risk.

Key Result

Agencies have in place mechanisms to encourage the programmed review of concession legislation, policy and procedures.

8.d. Procurement Process

Procurement was defined as the advertising, assessment and selection process involved in the issue of a lease, licence or concession. Procurement can generate from public (industry) inquiry or be an Agency initiative.

Public inquiry can be for known concession opportunities, identify acceptable opportunities not previously considered by an Agency or pose options that conflict with park purpose.

While frivolous inquiry may be dismissed, a duty of care would seem owed to serious inquiry; and rigour applied to the assessment process.

For example:

- If an inquiry complies with legislation, park purpose and plan(s) of management;
- The applicant has the skills and resources to conduct the activity; and
- The activity does not infringe policy limit(s) established to maintain environmental, cultural and recreational setting integrity.

It would be difficult to reject a proposal for subjective reason alone; unless public outcry dictated otherwise.

Assessing opportunities, the subject of public inquiry alone, could be considered reactive. The alternative is where agencies actively pursue the procurement of commercial services through selective invitation or preferably public advertisement. The same rigour as applies to assessing public inquiry should be adopted for agency initiative(s); and instigated by a management, corporate and/or business plan. The rationale behind proactive agency initiative could be the need to meet an identified demand or it could be supply driven to encourage a particular use pattern.

Disregarding the source, the procurement process for major concessions is likely to be complex; particularly when there is a mix of development, tour operations and the need to issue a lease. It is important that the decision process for these concessions, which usually have long term implications (20 years and more), include central and regional Agency and specialist input. Bickerstaff reinforces this view by proposing that highly decentralised approaches to licensing may work at the micro-level, but are a disaster at higher levels of resolution.

The procurement process for simple concessions can vary from the issue of on-the-spot permits for single event activities to a relatively complex process for new and untested activity. Issuing concessions at Regional level is appropriate for on-the-spot type permits. For 'sunrise' activities, some quality control at a central specialist level may be beneficial. Whatever the complexity, Agencies must be accountable and be seen to be accountable especially when assessing and granting competitive concessions.

SURVEY FINDINGS:

- Procurement of complex concessions is managed by a specialist (central) unit with access to appropriate expertise.
- Regions issue recurring and minor concessions subject to quality control safeguards and Agency wide standards.
- Procurement documentation should be complete, accurate and include enforceable disclaimers. The alternative is to expose agencies to risk through poorly researched prospectus or application forms.

- Codes of Conduct for procurement are understood and observed by staff.
- Provide public information about successful applicants but do not give out commercial-in-confidence information.

Key Results

Agencies operate to a Code of Conduct for assessing and awarding concessions; an aid to accountable decision making.

Complex Concessions process is managed centrally with Simple Concessions issued Regionally, subject to quality safeguards and Agency wide standards.

8.e. Administration and Monitoring

Administration and monitoring is the nuts and bolts end of concession management. It includes the need for suitably trained staff; (electronic) management of records; debt, compliance and operational monitoring and management. The electronic (database) management of records is arguably an essential tool component of concessions administration and monitoring. For best practice it is considered that a central specialist unit would maintain a suitable database with the system enabling permits input and records retrieval at Regional and possibly District level.

The survey indicated variable standards for data management and monitoring. Some agencies appear to have adequate databases whilst others either have inadequate or no electronic management systems in place. It would appear from the results that a future ANZECC project could be to assess existing Agency databases and develop a model that could be used by any of the ANZECC partners. Such a model would permit cross referencing of, in particular, licensed tour operators who undertake, or seek to undertake, tours in more than one state; and would go a long way to meeting one of the Bickerstaff recommendations.

SURVEY FINDINGS:

- Recognise the need for and importance of training for staff involved in concessions management.
- Manage concession data electronically with aid of a database (register) managed centrally and which may be accessed at Region and District levels.
- Databases monitoring can include the currency concession, compliance, renewals, terminations and payments.
- Application fees that are adequate and (conditionally) non-refundable can discriminate genuine from non-genuine applications.

Key Result

That concession data is managed electronically via a central database, with Regional access, to ensure the ready input and retrieval of concessions information and performance.

8.f. Concessions Licensing

According to Bickerstaff, a key question that Agencies should ask is "Why licence?" and identifies licensing benefits as:

- Clarifying the respective rights and obligations of operators and park managers;
- Ensuring that appropriate risk management, interpretation and performance standards are set and maintained;
- Improving the two-way flow of information between managers and operators, and
- Providing a management tool with which to direct the demand for park areas and thus optimising the use of facilities while minimising impact.

Licensing processes initiated to meet the above criteria are more likely to result in synergistic partnerships while licensing systems imposed to discourage legitimate industry sector use can cause tension and be counterproductive.

Fee structure and the allocation of revenue is a key issue. The User Pays Revenue Report identified that revenue objectives should reflect a balance between the community service obligation and revenue. The Report also identified the best practice distribution of funds to include 100% revenue retention by the Agency with some funds retained by local areas and the remainder dispersed for appropriate projects. Though a reasonable assumption, there are inherent dangers associated with the model. The original objective for permitting licensed activities may be lost in the quest to generate revenue and lead to the hijacking of staff and other resources away from core park management activity.

SURVEY FINDINGS:

- Staff should fully understand why an Agency licenses; and implement accordingly and impartially.
- When establishing fees that reflect the Agency objective(s) for licensing (whether it is cost recovery, risk management or profit), elasticity of the (industry) market must be considered.
- Exclusive or semi-exclusive licensing is a powerful management tool for limiting change to the environment or the recreational setting.
- Applying restrictive licensing to hinder legitimate park activity, however, is poor practice and must surely be unethical.
- When limiting license opportunities, calling public tenders or expressions of interest is recommended.
- Licensing becomes a very powerful risk management tool when legally compliant liability, indemnity, operational and competency provisions are included in documentation. These risk-managed outcomes may be superior to risk avoidance behaviour prohibiting legitimate activity.
- Licensing approval (or otherwise) should rest solely with the Agency.
- There is little common ground about the fate of license revenue, however, where it is retained by the Agency, and particularly a region or park, care should be taken that core environmental, recreational and operational management objectives are not compromised.
- There is reasonable argument that minor licenses be issued at regional level but that licensing standards, provisions and policy is determined centrally.

Key Result

That Agencies strike a working balance between centralised licensing controls and timely decentralised (Regional) decision and license issuing practice.

8.g. Commercial Leases

The differences between licensing and leasing are marginal except that leasing is usually associated with more complex commercial activity. Additionally, as management Agencies may be just that, an agent for the landowner, the process can be convoluted because of the need for additional approvals.

Another matter worth careful consideration is the interest in land that a lease provides to a lessee. From this perspective it may be wise to bind a lease to a (relevant) licence so that the provisions for a concession take full account of (changing) park management needs and purpose.

Leases often commit Agencies to long term obligations, as much as 30 or 40 years or more. Accordingly, leases need provisions that will allow for some flexibility regarding adherence to future standards and environmental constraints, at the time. However, lease conditions, which allow room for change, must also be reasonable for the lessee and take into account commercial economic factors. Arriving at an equitable balance is not easy.

The 'Guidelines for Concession Management in National Parks and Other Protected Areas' have been the foundation for concession management since 1987. Given the development of this report it may be timely that the aforementioned Guidelines for Concessions Management are reviewed.

SURVEY FINDINGS:

- Like licenses, leases should be directed by policy.
- Public advertising of leasing opportunities is recommended.
- Have strict but multi optional guidelines for determining economic return and reinforce them through access to expert advice.
- Procedures, approval methods and standard form documents that expedite the granting of leases are encouraged but speed should be tempered with expert legal input, especially for longer term leases.
- Regional/district staff involvement is encouraged though specifically trained staff, with an Agency focus, should drive the process as a means to lessening risk.

Key Result

That ANZECC, through the partner Agencies, reviews the 1987 'Guidelines for Concession Management in National Parks and Other Protected Areas'; nominating a lead agency to manage the process.

8.h. Alien Tenure

The factors affecting Alien Tenure are not a great deal different from those for leases or licences. However, as their purpose is alien to the purpose for which the land was set aside there is a need to consider additional matters.

Like leases and licenses, the need to have clear policy and guidelines in place is essential, the critical components of which spell out when it is either appropriate or inappropriate to grant a lease or licence for alien tenure.

It would also seem reasonable that when an activity is of no direct community benefit there should be no cost implications for the agency, alternatively, tangible benefit to the agency may be appropriate. However, as for commercial activity, agencies should be on their guard to ensure that tangible returns do not compromise a purposeful direction to actively discourage or prohibit alien tenure. From this perspective, it would seem that alien tenure only be granted where agencies are compelled to do so either by legislation or political directive.

For the purposes of this report Apiculture is considered an alien tenure or activity.

SURVEY FINDINGS:

- Policy for alien tenure is essential but legislation may be needed to remove doubt where community or political imperative prevails.
- Avoid providing alien tenure where there is no imperative; financial gain is insufficient imperative.
- The granting of Alien Tenure should be subject to the same rigour as leases and licenses.

Key Result

That alien tenure is actively discouraged unless there is essential political or community need for it.

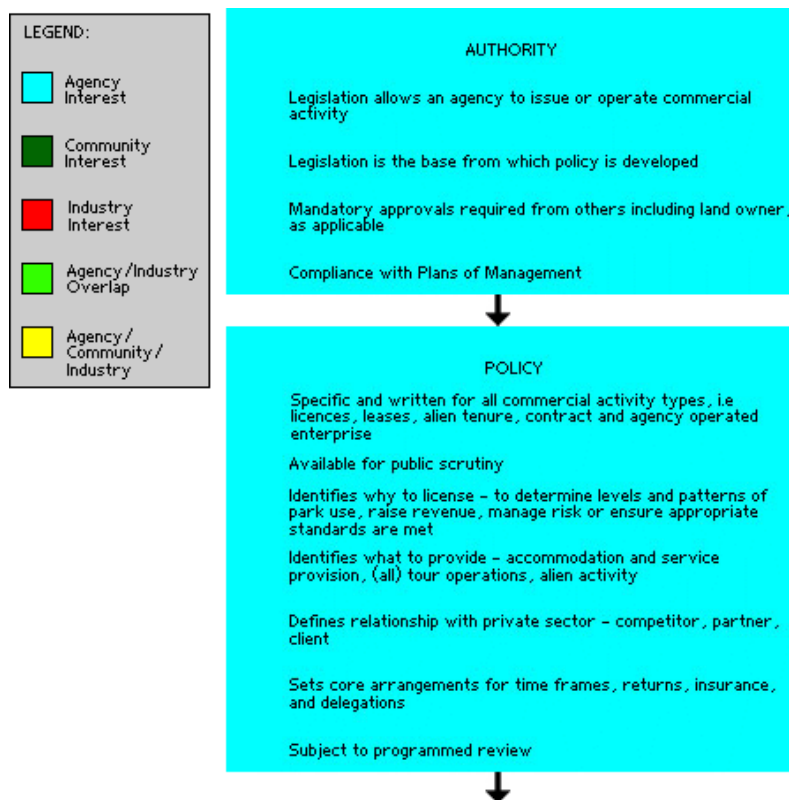
9. COMMERCIAL MANAGEMENT BEST PRACTICE MODEL

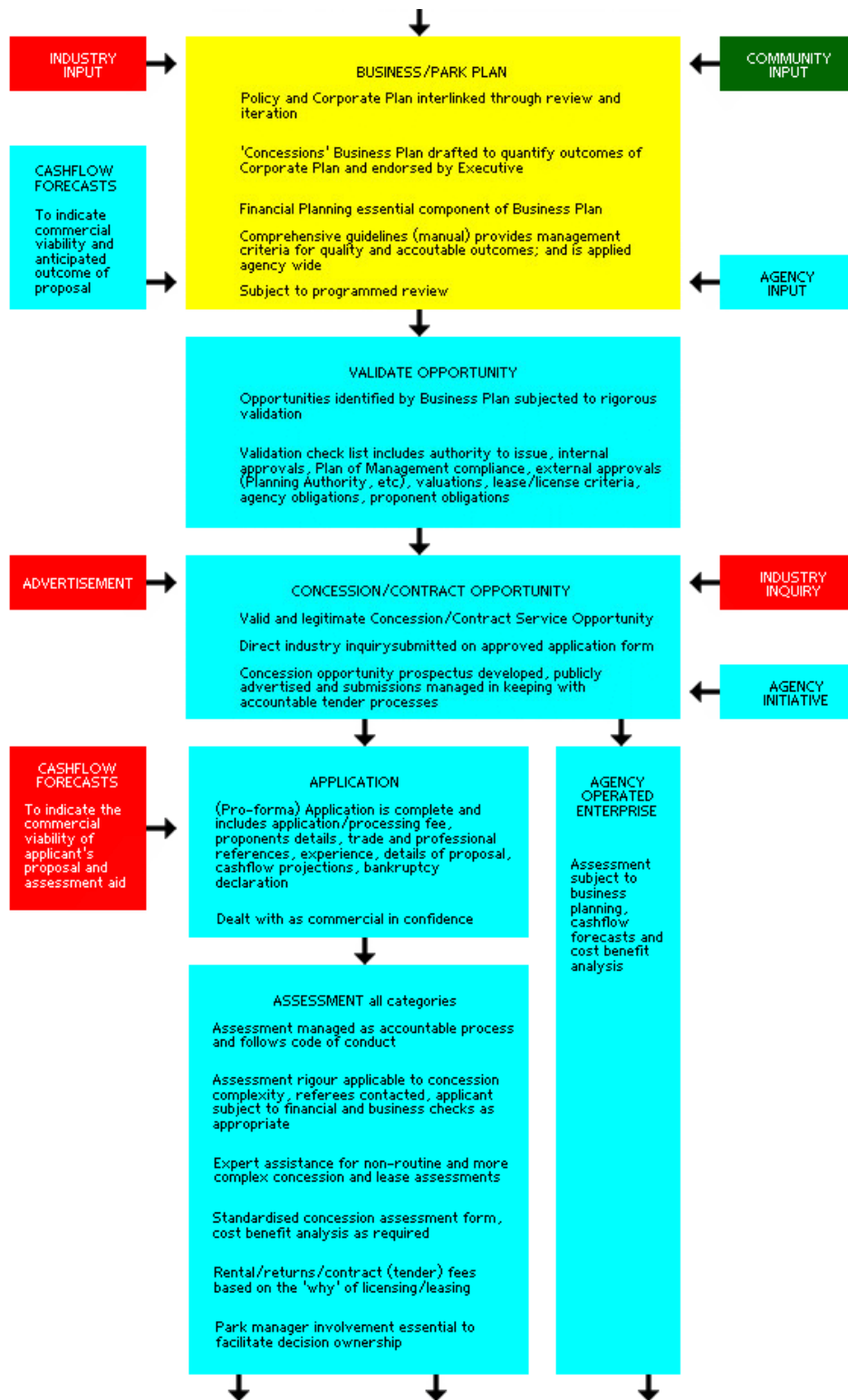
A commercial management model for awarding leases and concessions is described in the following chart.

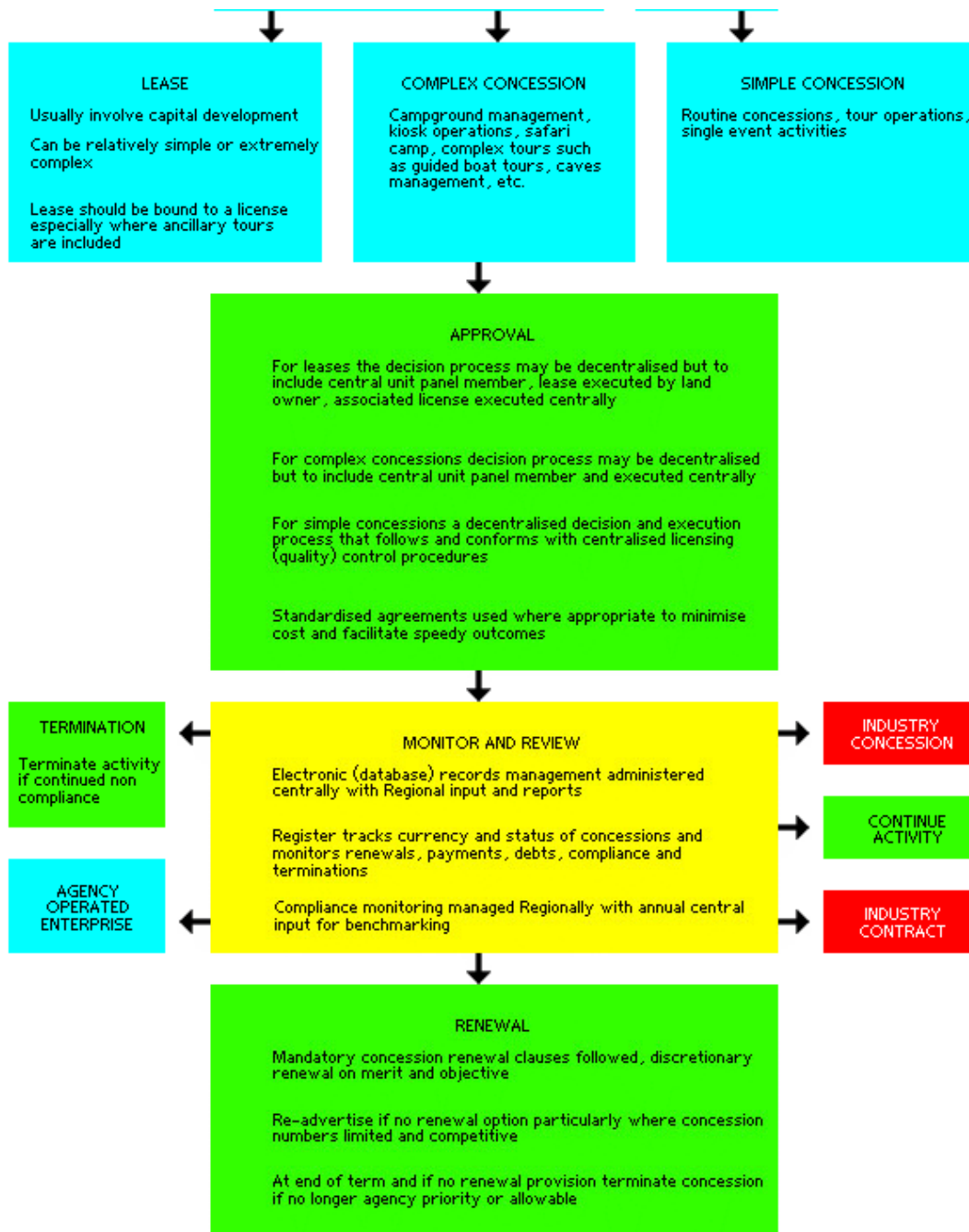
It is based on the best practice survey findings; experience within the Parks and Wildlife Commission of the Northern Territory; and input from the ANZECC partners.

The model is based on the assumption that a legislative framework is in place for leases, concessions, alien tenure and agency operated commercial enterprise.

Chart: Commercial Management Best Practice Model







10. AGENCY OPERATED ENTERPRISE

Agency Operated Enterprise (AOE) is commercial activity undertaken directly by Agency staff and includes the provision and management of campgrounds and other forms of commercial accommodation, kiosk services and guided tours.

As an enterprise, AOE should be economically viable. Where it is not, it should only continue where public need dictates, eg. remote campgrounds.

As with concessions or contract services, cost benefit analysis and comparison will assist in determining the effectiveness of AOE management.

If cost benefit indicates that private sector concessions or paid contract services may be an economic alternative, the option should be given serious consideration. New Zealand does not conduct AOE.

10.a. Legislative Compliance

Similar to Leases and Licenses, legislative authority must surely be the primary point from which an agency may contemplate involvement in AOE. The obligations extend beyond an Agency's legislation. There are all manner of issues to consider, ranging from Plans of Management, other Government approvals and constraints and internal Agency decision processes.

SURVEY FINDINGS:

- There is consensus that major AOE is subject to Executive approval; though opinion is divided for minor AOE.
- Opinion is also divided regarding Ministerial input for major AOE, with no input favoured for minor AOE.
- Similar to Commercial Concessions, land owner approvals should be sought for AOE, as required.
- Generally, AOE should be subject to the same controls as Commercial Concessions, complying with Plans of Management, (town) planning requirements, fair trading and other laws.

Key Result

Similar to Commercial Concessions, the provision of AOE should be subject to internal and external legislation and controls, as required, with the application of its requirements diligently applied.

10.b. Guidelines for Establishing Agency Operated Enterprise

Bickerstaff posed that Agencies should not operate in a policy or procedural vacuum and proposed a suite of prescriptions. Agency Operated Enterprise should be treated no differently than private sector provided services.

Like Licenses and Leases, AOE require a documented and comprehensive range of guiding principles and rules to enable objective decisions to be made about their establishment. The Bickerstaff prescriptions are remodelled and applied for AOE. The resulting prescriptions conclude that agencies should:

- Frame AOE policy as a consistent and logical output of higher policy;
- Be clear about why they provide AOE. Is it to provide a community service, determine levels and patterns of park use, or is it to raise revenue?
- Understand their relationship with private sector providers and services. Is it competitor or partner?
- Clearly identify appropriate AOE, how it should be managed and what the level of economic return should be, and
- Establish uniform AOE arrangements state/territory wide.

SURVEY FINDINGS:

- AOE Policy should complement and be consistent with Commercial Concessions Policy.
- Establish comprehensive guidelines and apply them uniformly across an Agency allowing AOE to stand up to scrutiny and to minimise risk exposure.
- AOE should be consistent with Agency purpose, goals, strategic direction and financial planning.
- Staff involved in AOE should be suitably trained and aware of policy and guidelines.

Key Result

That Agencies have in place Policies and Business Plans for the full range of AOE and which address cost benefit outcomes.

10.c. Reviewing the Rules

The rules for approving AOE should especially be subject to programmed review in consideration of policies for smaller and more effective Government. As with Licenses and Leases, programmed review is necessary if Agencies are to comply with government policy and compete fairly with the private sector.

SURVEY FINDINGS:

- Develop procedures and processes that provide for the programmed review of concession legislation, policy and guidelines affecting AOE.
- It is important that field staff have input to AOE decision and review.

Key Result

Agencies have in place mechanisms to encourage the programmed review of concessions legislation, policy and procedures.

10.d. Administration and Monitoring

Similar to licenses and leases, administration and monitoring is the nuts and bolts end of AOE management. It includes the need for suitably trained staff; electronic management of records; cost benefit and operational monitoring.

SURVEY FINDINGS:

- A central register (database) of AOE is deemed essential with Regions having read access and the ability to input local data - backup systems are essential.
- Including AOE concession data with Commercial Concessions is appropriate.
- Databases are a valuable tool for monitoring AOE status, compliance and economic return.

Key Result

That Agency Operated Enterprise is included in (database) management systems alongside Licenses and Leases.

11. CONCESSION TYPES AND TENURES

The Commercial Management survey also sought information on the range of concessions granted by Agencies. The findings (Appendix B) are categorised into four concession types; leases, licenses, alien tenure and agency operated enterprise. As the purpose of the project is to examine the processes involved in the delivery of park services the report does not include the numbers of concessions administered by the Agencies.

Leases are generally found to be used where an activity is capital intensive and for which a proponent seeks an interest in the land. The down side to leasing is that the lessor does not (normally) have ready access to the property, has little or no say regarding clientele, and unless specifically mentioned in a lease it is unclear whether an Agency's by-laws or regulations apply to the leased area. From the proponents perspective they are more likely to be able to trade with minimal day to day interference. Lease terms were found to range from 1 year for a residential lease to commitments of 45 years for significant resort style facilities.

Licenses cover all kinds of permission from permits, to licenses, agreements or other approvals granted for the conduct of trade or commerce on an area of land, seabed, water and (sometimes) airspace that is under the care, control and management of an Agency. License terms vary from 1 day for one-off events to 5 years with a similar renewal option for significant activities that may include kiosk and souvenir outlets operated from agency owned or managed buildings. Where permanent or semi-permanent fixtures to the land are involved the provision of a license as a form of contract between an Agency and an operator is usually speedier and simpler to execute than is a lease.

Alien tenure is issued for a relatively narrow range of activities that include utility installations and easements, dams and catchments, grazing, agistment and apiculture. For Victoria, market gardens and orchards are a permitted activity due to historic arrangements; catchment management; and to maintain recognised traditional land use and viewsapes. Alien tenure arrangements can be for as little as 1 year and as much as 30 years.

The range of agency operated enterprise is much narrower than that of private sector provided park services and includes merchandising, entry passes, food services, guided tours, equipment hire, accommodation and camping. Unlike commercial concessions, there is no apparent or set

life for agency operated enterprise except for those times when Agencies choose to review their operations. This matter is expanded upon in 'Use of Private Sector Services', below.

12. USE OF PRIVATE SECTOR SERVICES

Private sector services may be cited as those commercial or value added services that are essential to core business but which Agencies choose to have the private sector provide. The study identified a number of services undertaken by some Agencies and for which other Agencies use private sector providers. The services are merchandising, kiosk operations, entry fee/pass collection and sales, accommodation, caravan parks, campgrounds, guided tours, cave tours, equipment hire and ski field operations. The services may be provided as concessions or leases or by contract services. The latter, contract services, takes the middle ground between AOE and Commercial Concessions; and has not been a focus of this study.

The approach to private sector provided services is often a philosophical one or it may be one of government policy. Alternatively, with budgetary constraint, it may be on economic terms. The outcomes may result in income to the Agency, be revenue neutral or may even be at some cost to the Agency, particularly if driven by Government privatisation policies.

Experience suggests, however, that the appropriate use of private sector concessionaires can result in Agencies expanding their human and equipment resource pools within existing budgets, freeing field staff for broader park management duties. Experience also suggests that service delivery may improve due to incentive arrangements. However, there can be negative outcomes if liaison between operators and Agency staff is poor or if licensing arrangements are found to be wanting.

13. BENCHMARK COMPARATOR

The project has provided best practice indicators. Other work undertaken during the project was the development of a system by which an agency might measure its performance against the agreed indicators. The system is provided in hard copy at Appendix C.

As Appendix C is not available on line, please email Protected.Areas.ANZECC@environment.gov.au who may be able to provide a copy.

14. CONCLUSION

The results of the survey have enabled a number of best practice criteria to be developed. These criteria range from an understanding of the laws that either allow or constrain concessions activity, to the necessity for written policy, strategic and business planning, training, review, coordination, consistency, timeliness and accountability. The following key recommendations are the result:

- Have in place an inventory of legislation and other controls affecting the granting of Commercial Concessions.
- Planning for commercial activity is quantified by a business plan(s) that accords with legislation, policy, corporate direction and which address cost benefit outcomes.
- Agencies have in place mechanisms to encourage the programmed review of concession legislation, policy and procedures.
- Agencies operate to a Code of Conduct for assessing and awarding concessions; an aid to accountable decision making.

- Complex Concessions process is managed centrally with Simple Concessions issued Regionally, subject to quality safeguards and Agency wide standards.
- That concession data is managed electronically via a central database, with Regional access, to ensure the ready input and retrieval of concessions information and performance.
- That agencies strike a working balance between centralised licensing controls and timely decentralised (Regional) decision and license issuing practice.
- That ANZECC, through the partner Agencies, reviews the 1987 'Guidelines for Concessions Management in National Parks and Other Protected Areas'; nominating a lead agency to manage the process.
- That alien tenure is actively discouraged unless there is essential political or community need for it.

Agency Operated Enterprise were also dealt with by the Commercial Management questionnaire. Similar to Commercial Concessions 'graphic' benchmarks were established to rate Agency performance. On average, ideal administration and management practice for Agency Operated Enterprise appears to be less diligently pursued than it is for Commercial Concessions. It was also found that much of the criteria developed for Commercial Concessions readily transfers to Agency Operated Enterprise and presents the following recommendations:

- Similar to Commercial Concessions, the provision of AOE should be subject to internal and external legislation and controls, as required, with the application of its requirements diligently applied.
- That Agencies have in place Policies and Business Plans for the full range of AOE and which address cost benefit outcomes.
- Agencies have in place mechanisms to encourage the programmed review of concessions legislation, policy and procedures.
- That Agency Operated Enterprise is included in (database) management systems alongside Licenses and Leases.

The survey categorised concessions into four types - leases, licenses, alien tenure and agency operated concessions. Leases are generally used when a concessionaire requires an interest in land particularly if significant capital investment is involved. In some circumstances, licenses can be used as a form of contract for large-scale park based concession activity; are usually simpler to execute and are usually a more flexible tool for park management purposes. Leases can be for 45 years and licenses for as short as 1 day.

Alien tenure has a relatively narrow focus that includes utility installations and easements, dams and catchments, grazing, agistment, apiculture and in Victoria, horticulture. The range of agency operated enterprise includes merchandising, entry passes, food services, guided tours, equipment hire, accommodation and camping. The provision of these activities was found to be readily interchangeable between Agency staff or private concessionaires. Private sector services can also result in improved service delivery if licensing arrangements are appropriate and there is good liaison between Agency staff and concessionaires.

It should be recognised that benchmarking is a tool for comparison that includes subjective limits. It is, however, these benchmarks, and in particular, the sharing of information and options that the Benchmarking Best Practice Program projects provide which assist Agencies in the pursuit of continuous improvement strategies.

As Agencies work toward attaining best practice, issues will arise and solutions found that will move the benchmark. This is the challenge all Agencies face. The objective is environmentally, socially and economically sustainable outcomes that are compatible with park management.

15. APPENDICES

Appendix B: AGENCY CONCESSION TYPES AND LENGTH OF TENURE										
<p>This chart identifies the types of concessions issued by each of the ANZECC Agencies. Length of tenure identified for concessions is that which is currently used and is represented in years (eg. 1). Where a renewal term was identified for a concession it is shown as, for example, 1+1. Where the length of tenure is a general average it is shown as, (for example) A3. Concessions for significant special or annual events are usually issued for the length of the event, which are usually of 1 week's duration or less. These concessions are shown on the chart by a 4 as is Agency Operated Enterprise.</p>										
LICENCES	ACT	NSW	NT	NZ	Env Aust	QLD	SA	Tas	Vic	WA
Recreation Club	.	✓	.	A15	.	.	✓	✓	21	.
Sporting Club	✓	✓	.	A15	.	.	✓	✓	21	.
Hotel/Tavern	.	✓	.	A30	.	.	✓	✓	21	.
Resort	.	✓	25+20	30	✓	A20- 25	✓	✓	✓	.
Chalet/Lodge	.	✓	.	A20	.	.	✓	✓	21	.
Caravan Park	.	✓	12	.	.	.	✓	✓	7-21	.
Campground	.	✓	✓	✓	7-21	.
Marina	.	✓
Restaurant	.	✓	✓	✓	21	.
Kiosk	.	✓	.	A10	✓	.	✓	✓	3-21	.
Residential Lease	✓	✓	1+1	A10	.	.	✓	✓	1-3	.
Shop/General Store	.	✓	.	A10	✓	.	✓	✓	10	.
Interpretive Centre	✓	.	.	.
Community Building/Facility	.	✓	.	A30	.	.	.	.	5+5+5	.
Transport Operations	.	✓	.	A6	.	.	.	✓	✓	.
Research	1-21	.
Nightclub	21	.

Cave Complex	.	.	5+5	A30	.	.	.	✓	7	.
Outdoor Cinema	.	.	.	.	.	.	.	.	7	.
Golf Courses	.	.	.	.	.	.	✓	.	10-21	.
Golf Driving Range	.	.	.	.	.	.	.	.	Monthly - 21	.
Lighthouse	.	.	5+5	.	.	49	.	.	21	.
Nurseries	.	.	.	.	.	.	.	.	3-10	.
Go Kart Track	.	.	.	.	.	.	.	.	8	.

LICENCES	ACT	NSW	NT	NZ	Env Aust	QLD	SA	Tas	Vic	WA
Commercial Vehicle Tour Operations	.	✓	.	A5	✓	A3	✓	✓	3	.
Restricted Area Guided Tours	.	.	1+1	A5	.	A3	.	✓	.	.
Mobile Kiosk	.	✓	1+1	.	.	A3	.	✓	1-3	.
Aerial/Helicopter Scenic Tours	.	.	3+3	A10	✓	A3	✓	✓	.	.
Merchandising	.	.	5+5	.	.	.	.	.	1-3	.
Boat Hire/Bicycle Hire	.	✓	3+3	A5	.	A3	.	✓	3	.
Guided Boat Tours	.	.	5+5	A5	.	A3	.	✓	3	.
Kiosk	.	.	A5+5	.	.	10	.	✓	3-10	.
Restaurant	.	.	A5+5	.	.	.	.	✓	✓	.
Campground	.	.	3+3	.	.	.	.	✓	.	.
Hot Air Ballooning	.	.	3+3	.	.	.	.	.	1-3	.
Ferry Services	✓	5	.

Pier Operations	.	.	.	.	.	.	.	.	1-3	.
Significant Special/Annual Events	.	✓	✓	✓	.	✓	.	✓	✓	.
Transport Systems	.	.	.	.	.	.	.	✓	3	.
Dog Training	.	.	.	.	.	.	.	.	3	.
Guided Bushwalking Tour	.	.	3+3	A5	.	A3	.	✓	3	.
Abseiling/Rock Climbing Tours & Instruction	.	.	3+3	A5	.	A3	.	✓	3	.
Fishermen's Sheds/Huts	.	.	.	A5	.	.	.	.	5	.
Playing Field	.	.	.	.	.	.	.	.	3	.
Non-Powered Model Aircraft	.	✓	.	.	.	.	.	.	1	.
Slipway	.	.	.	.	.	.	.	.	✓	.
Arboretum Management	.	.	.	.	.	.	.	.	3	.
Recreational Equipment Hire	.	.	.	A5	.	.	.	✓	3	.
Artists in Residence	.	.	.	.	.	.	.	.	2	.
Entry Fee/Pass Collection & Sales	.	.	5+5	.	.	.	.	✓	.	.

ALIEN TENURE	ACT	NSW	NT	NZ	Env Aust	QLD	SA	Tas	Vic	WA
Grazing/Agistment	✓	✓	15+10	A5	.	A8	✓	✓	1-3	.
Dam	.	✓	.	A30	.	.	.	.	.	.

Telecommunication Installation	.	✓	✓	A20	✓	A40	✓	✓	7-21	.
Power Lines	.	✓	.	A10	.	A40	✓	✓	7-21	.
Pipe Lines	.	✓	.	A30	.	A40	.	✓	3-21	.
Weather Station	.	.	.	A15	.	.	.	✓	21	.
Market Garden	.	.	.	.	.	.	.	.	3	.
Commercial Orchard	.	.	.	.	.	.	.	.	10+10	.
Sporting Facilities	.	✓	.	.	.	.	.	.	.	.
AGENCY OPERATED ENTERPRISE										
	ACT	NSW	NT	NZ	Env Aust	QLD	SA	Tas	Vic	WA
Merchandising	.	✓	✓	.	.	✓	✓	✓	✓	.
Entry Passes	.	✓	✓	.	.	.	✓	✓	✓	.
Annual Passes	.	✓	✓	.	.	.	✓	✓	✓	.
Food Services	.	✓	.	.	.	.	✓	✓	✓	.
Accommodation	.	✓	.	.	.	.	✓	✓	✓	.
Caravan Parks	.	✓	.	.	.	.	✓		✓	.
Campgrounds	.	✓	✓	.	.	✓	✓	✓	✓	.
Guided Tours	.	✓	✓	.	.	✓	✓	✓	✓	.
Cave Tours	.	✓	.	.	.	✓	✓	✓	✓	.
Equipment Hire	.	.	.	.	.	.	.	✓	.	.
Ski Field Operation	.	.	.	.	.	.	.	✓	.	.
Visitor Centres	.	✓	.	.	.	✓	✓	✓	.	.

Retail Shops	.	✓	.	.	.	✓	✓	✓	.	.
Cinemas	.	✓	.	.	.	.	.	✓	.	.