



ALLOCATING TOURISM PERMITS IN THE GREAT BARRIER REEF MARINE PARK

- Issues Raised in Responses to Questionnaires

JULY 2002

How should GBRMPA allocate new or spare 'capped' permits?

There was a fairly even split between first come first served and expressions of interest tender. Some respondents favoured expressions of interest only and others suggested allocation should be based solely on tender. Some of the comments provided were:

- There is no choice but a tendering system with qualifying criteria;
- System should not disadvantage small operators;
- Tendering may push aside operators who created the opportunity in favour of another operator with greater financial resources, thus threatening intellectual property/innovation;
- Existing operators should have first choice;
- New permits should be offered to people who missed out in the 'blue forms' process

How should GBRMPA allocate new or spare 'non-capped' permits?

Both first come first served and expressions of interest tender were supported, with slightly more respondents favouring first come first served. Comments included:

- Expressions of interest/tender may threaten the proposer's market advantage;
- First come first served is the most transparent system.

Should an existing operator be re-issued an existing permit?

There was very strong support for the policy that existing operators should be re-issued a tourism permit to continue their operation in the Marine Park if they have fulfilled their obligations under the existing tourism permit. Many respondents saw this as critically important. Some comments in support were:

- Small operators have put their life into their business and have much to lose if their permit is not reissued;
- Business is tough enough without the future of your permit hanging over your head.

Should there be pre-determined selection criteria for expressions of interest/tender?

There was very strong support for a pre-determined set of selection criteria on which to judge expressions of interest/tender. However, some respondents cautioned that:

- Unforeseen innovative management may miss out because it does not fit the criteria;
- Promises could sway decision, but then not be delivered.

What should the criteria include?

There was strongest support for the suggested criteria of 'previous history of experience', but nearly as many respondents favoured 'relevant experience' and 'standards of operation'. 'Willingness to contribute to Marine Park management' was also quite strongly supported, however there was a lower level of support for selection based on 'proposed indigenous involvement'. It was recommended that these criteria should be agreed by industry.

Some additional criteria suggested were:

- Demonstrated ability to actually undertake operations, i.e. no speculation;
- Accreditation;
- Commitment to conservation and best practice;
- Long term effect on reef/low impact operations;
- Local ownership.

Should permits be issued for a commercially realistic period?

There was very strong support for permits to be issued for a commercially realistic period. Most respondents who nominated a time period suggested a period of at least 10 and most often 15 years.

Should there be a reserve price for new or spare 'capped' permits?

Most respondents did not favour a reserve price being placed on new or spare 'capped' permits. Comments included:

- GBRMMPA should not be able to profit from resuming a permit and re-issuing it;
- GBRMMPA should not seek financial gain from trading or issuing permits, however need to release permits via a system where market value is maintained;
- Necessary to prevent scalping;
- Would disadvantage small pax operations that may not be able to afford reserve price;
- Assessing market value for each site would be costly.

Should any reserve price be re-assessed at the start of each permit term?

Most respondents did not support any reserve price being re-assessed at the start of each permit term.

Comments included:

- Re-issue should be automatic with no encumbrances;
- There should be nothing more than a processing fee.

Should there be a set of minimum operating standards?

There was very strong support for a set of minimum operating standards. Comments included:

- Provided they are realistic and not too bureaucratic;
- Eliminates 'cowboys' and 'miners';
- May depend on size of vessel/operation;
- Should be derived with industry consultation;
- Should be achieved through industry code;
- Self regulation is vastly preferable to government intervention;
- Market forces will demand minimum standards and remove sub-standards operators;
- Already enough/too many standards

Should there be a graded system of penalties?

There was very strong support for a graded system of penalties. Comments included:

- Provided criteria and penalties are uniformly enforced;
- Too complicated;
- There are penalties now.