Great Barrier Reef Marine Park Authority

Review of the

Environmental Management Charge

December 1994

FOREWORD

In June 1992, the Minister for the Environment, Sport and Territories announced that a charge would be introduced in July 1993 on commercial tourism operators in the Great Barrier Reef Marine Park. This became known as the Environmental Management Charge (EMC). Subsequently, the Great Barrier Reef Marine Park Authority (GBRMPA) decided to review the workability of the EMC for tourism operators and administrators after one year of operation. The review was conducted by Associate Professor Owen Stanley of James Cook University of North Queensland. He was assisted by Geoff Hansen of Canberra. This document is the report of that review.

The reviewer wishes to thank those who have assisted this review with information and comments, especially the staff of the GBRMPA and government departments and agencies, the representatives of the Association of Marine Park Tourism Operators (AMPTO) and numerous tourism operators.

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ABBREVIATIONS AND GLOSSARY

ABARE	Australian Bureau of Agricultural and Resource Economics		
AMPTO	Association of Marine Park Tourism Operators		
ATIA	Australian Tourism Industry Association		
	Great Barrier Reef Marine Park Authority		
	Cooperative Research Centre for Ecologically Sustainable Development of the Great Barrier Reef		
DEST	Department of the Environment, Sport and Territories		
ЕМС	Environmental Management Charge		
EMC(1)	A hypothetical charge based on benefits (use value) enjoyed from the Marine Park.		
EMC(2)	A hypothetical charge intended to recover monitoring costs, or costs of potention or actual damage to the Marine Park or used as a rationing device for a crowded site.		
ESD	Ecologically sustainable development		
Existence value (EV)	The benefit from knowing a resource exists, even though you are not using it now and do not expect to use it.		
FOC	Free of charge		
GBRMPA	Great Barrier Reef Marine Park Authority		
GBRWHA	Great Barrier Reef World Heritage Area		
Marine Park	Great Barrier Reef Marine Park		
MLWM	Mean low water mark		
NATA	National Association of Testing Authorities		
Option value (OV)	The benefit from knowing that a resource is preserved for future use possibly by you.		
PAAF	Permit application assessment fee		
Private boat user	1 Maria Dading heat guned by a person		
QDEH	Queensland Department of Environment and Heritage		
RAC	Resource Assessment Commission		
Resource rent	"Profit" calculated by deducting from revenue all costs including a minimulation return on capital required to retain capital in its current use in the long run Charges imposed on resource rents are not passed on to consumers by promaximising organisations because these charges do not add to the costs of production. Passing them on actually reduces profit.		
TOR	Term of reference		
Use value (UV)	The benefit direct from using a resource.		
Visitor	A person who uses a tourism operator to gain access to the Marine Park.		

AIMS OF THE REVIEW AND TERMS OF REFERENCE

Aims of the review are:

- 1. To undertake an independent examination of the current structure and legislation of the EMC; to assess their administrative workability; to evaluate the EMC's success in raising revenue and the fairness of its application to the spectrum of payers.
- 2. To make recommendations for improvements to the charging structure including recommended wording for legislation to address any inequalities in the current structure and where necessary, make recommendations for improvements to the administrative structure, system and methodology to streamline processing of the payments, increase efficiency and remove inequities.
- 3. To produce a written report on the findings including the recommendations of the review.

The terms of reference require examination of specific issues in relation to:

- sunset cruises
- cruise ships
- · sea planes
- transfers in the case of shallow water
- pontoons
- resorts
- scenic flights
- kayaks
- half cabin boats
- horse riding
- · payment of flat charges when not operating
- indexed increases in the EMC
- late penalties
- log books and charging returns
- · administration of the EMC
- other issues identified during the review.

The details of these issues are provided in Part 3 of this report.

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Background

- * The Great Barrier Reef is currently considered to be in very good condition, but there is little doubt that it would become degraded like many coral reefs elsewhere in the world without careful management. Such degradation would have catastrophic consequences for the Great Barrier Reef Marine Park (Marine Park) tourism industry and others, and would be a major scientific disaster. Appropriate management of the Marine Park is not possible without adequate funding.
- * The Great Barrier Reef World Heritage Area (GBRWHA) makes a significant contribution to the Australian economy. Total expenditure from the tourism, commercial and recreational fishing industries, and research is about \$954m per year. The Marine Park tourism industry is also an important source of foreign exchange.
- * The Great Barrier Reef Marine Park Authority (Authority) is not, of course, the only government body whose policies impact on the Marine Park and its environs. In various degrees, decisions made by a wide range of local, State and Commonwealth organisations affect the Marine Park directly or indirectly. The Authority and the Queensland Department of Environment and Heritage (QDEH) are, however, the pre-eminent management bodies.
- * The Authority's EMC revenue over the first year of operation of the charge (1993/94) was \$1.22 million. This is equivalent to 8.3% of the Authority's total operational revenue of \$14.61 million for the year, but 24.8% of the Authority's non-appropriation operational revenue of \$4.92 million. The EMC has clearly made a significant contribution to the Authority's attempt to become less dependent on revenue from government appropriations.
- * Most of the funds raised by the EMC are spent on activities which are to the Marine Park tourism industry's long term benefit. A large proportion is allocated to the Cooperative

Research Centre for the Ecologically Sustainable Development of the Great Barrier Reef (CRC) whose objective includes "expanding sustainable Reef-based economic activity, with particular emphasis on tourism". The Authority's financial commitments to the CRC are \$500,000 in the first year of the CRC's operation, rising to \$750,000 in the second year, and reaching \$1,102,000 in year seven, all stated in 1992/93 values. In 1993/4, apart from supporting the CRC, EMC revenue was spent on education, research and management, with only 10% being spent on the administration of the EMC.

* It is reasonable to require all beneficiaries of the Authority's management of the Marine Park to financially contribute to it. Thus contributions can be justified from the direct users such as tourists, private boat owners in the region and businesses who operate in the Marine Park. The public at large also benefits through option and existence values. That is, the management of the Marine Park preserves it for future use and provides pleasure to people who simply enjoy knowing it is preserved. Indeed the importance of the region to Australia and the world at large is underlined by the fact that it is now a World Heritage Area. Further, there is some evidence that for environmental assets such as the Marine Park, the value of them for direct users may be only one fifth of total value to society.

It follows from this that although direct users (for recreation or profit) of the Marine Park should be required to contribute to the Authority's finances, it would be inequitable to require them to fund all, or even the majority of its costs. Equity requires that a substantial part of the Authority's income must come from the public at large, through consolidated revenue.

* When comparing the level of the EMC with charges for entry to other national parks two things emerge. First, there is no consistent method of charging for entry or stay in Australian national parks. In many cases entry or stay are free. In others, charges may be based on entry, or on the use of camp sites, or on the entry of a vehicle. There may also be concessions for longer stays or larger groups. It is therefore not possible to convert many of these charges to a per person per day basis, to provide a simple comparison with the EMC. Secondly, unlike visitors to terrestrial parks generally, visitors on whom the EMC is charged gain access to the Marine Park through the services of a tourism operator. This means that all indirect taxes and government charges paid by the operator associated with providing

access to the Marine Park can be considered to be government "charges" on entry to the Marine Park. For example, in the case of one operator, indirect government taxes and charges directly associated with providing access to interesting parts of the Marine Park, including the EMC, amounted to an "entry fee" of about \$5.75 per visitor per day. This is high by comparison with entry fees to other parks in Australia.

The Commonwealth, when considering its contribution to the Authority's funding and when formulating its views about the Authority's self-raised revenue, should take into account the total contribution visitors and operators make to government revenue when gaining access to the Marine Park, as well as the administrative and other costs to operators and visitors of maintaining an environment which is to the benefit to all Australians.

The existing EMC structure

- * There are three potential target Marine Park user groups for a charge of the EMC type:
- (a) All primary beneficiaries of Marine Park management. This group could also be called "consumers" and includes visitors and recreational fishers. The EMC on standard operations, which is based on the number of visitors, can be justified on this basis although equity requires that there be a similar charge on other beneficiaries such as private boat users. For the purpose of further discussion, an EMC targeting all primary beneficiaries will be called EMC(1).
- (b) All people or organisations earning profits from operations in the Marine Park. This group includes tourism operators, commercial fishers and mariculture operators. The optimal way to charge this group is by imposing a charge on their resource rents. It is not appropriate to attempt to gain profits (resource rents) from tourism operators, for instance, by imposing a charge on the number of people using their services because these charges are so easily shifted to visitors in the forms of increased prices or reduced goods or services. Properly devised charges on resource rents cannot be shifted to consumers or suppliers of inputs.

- (c) All people or organisations whose actions require direct monitoring or cause damage or may cause damage to the Marine Park or who cause crowding at sites. This type of charge is of the user pays type. In this case the EMC would vary according to the impact of an action. The EMC on standard operations is not of this type because the impact of visitors and operators varies so greatly between sites and conditions whereas this EMC charge does not. The EMC charges on sewage discharge is of this type, however. An EMC targeting this group will be called EMC(2).
- * The existing EMC charges are composed of both the EMC(1) and EMC(2) type. The logic of EMC(1) may justify existing charges on the standard tourist operation, non-motorised beach hire, dinghy hire, motorised water sports, semi-submersible and glass bottomed boats, sight-seeing flights, variable charges on pontoons, floating hotels, marinas and underwater observatories, and non-tourism charters. Charges on sewage discharge, and flat charges on pontoons, floating hotels and marinas (where they are believed to require monitoring or have an environmental impact) may be justified under EMC(2).
- * The primary purpose of the EMC is to supplement the Authority's funding by imposing a charge on the primary beneficiaries of Marine Park management. Its role as a charge to recover monitoring costs of specific actions, or on actual or potential environmental impact, or as a rationing device is minor. With the exception of the recovery of monitoring costs, zoning and permits, combined with penalties for non-compliance and damage are intended to be the main instruments performing these functions. Given the difficulty and costs of pricing all major areas and activities of the Marine Park as required by the strict user pays approach, the existing structure is appropriate.
- * In terms of the principles of economic efficiency, the EMC(1) component of the EMC structure is inefficient because it imposes a price on activities which do not directly lead to social costs being incurred, and therefore it equally discourages activities with no environmental impact along with those which do cause damage. Such charges may be justified, however, as a "second best" solution if it is accepted that the Marine Park would be less than optimally managed without finance raised from this source. Given the reluctance of

governments to increase contributions from general government income sources, this is almost certainly true, so that the EMC(1) component is likely to be an appropriate second best solution.

* The insistence that operators not describe the EMC as a charge on individual tourists is unnecessary and this statement is itself somewhat misleading as to the impact of the EMC. It is true that the operator pays the Authority, but whether this is passed on to the visitor in the form of increased prices or decreased quality of service depends (as it does with all such charges) on the market conditions faced by the operator. In the survey of operators undertaken for this review, it was found that of those who returned the survey form 25.8% said that they passed part or all of the EMC on to visitors in the form of increased prices (62.9% said they absorbed it, possibly by decreasing services and 11.4% did not answer the question). The proportion admitting to passing the EMC on may be biased downwards because of the Authority's warning that the EMC is not to be described as a charge on visitors. In the longer term the actual percentage passing it on is likely to increase as pricing policies adapt to changed circumstances, especially for operators who advertise through brochures and have to fix their prices for up to two years in advance. The ability of operators to absorb the EMC through reduced prices will be reduced with significant increases in the real value of it.

An operator can only be expected to respond to the EMC in the way it does to any other cost of production. A comparable example is the cost of fuel for a transport company. It is paid in the first instance by the company. Increases in the price of fuel, however, are either passed on to consumers (in the form of increased prices for transportation or decreased quality or quantity of service) or not, depending on the market conditions which the company faces. Overall, however, fuel price increases are passed on to the consumer. Similarly, the EMC should be seen as ultimately impacting on visitors. Such an approach recognises the economic reality.

It must be emphasised that the above comments are concerned with the interpretation of the impact of the EMC, and not with the party who is legally responsible for paying the EMC.

This should remain the operator, as is the case now and as it is with similar cases where government charges exist.

General questions of equity

* Two general questions of equity arise in relation to the existing structure of the EMC. They are:

Should all operators pay the same rates of EMC, regardless of any shifting of the burden to visitors which takes place, and be subject to the same reporting requirements, even though their financial positions differ? In particular, should "small operators" and "large operators" pay the same EMC rates and have to keep the same records?

When considering individuals in society generally, it is common to discriminate in favour of the relatively poor. It is not, however, usual to treat business in this way and that practice should apply to the EMC. That is, the existing rates of EMC charges and reporting requirements should not be less, simply because a business is small. Any recognition of the difference in profits between operators, if desired, should be through charges based on resource rents because EMC charges are easily passed on to visitors.

Is the EMC levied on all people or organisations who undertake an activity of the type on which the EMC is levied? That is, is the EMC charging base broad enough?

Clearly, if it is accepted that the EMC(1) component of the charge ultimately impacts on visitors then equity requires that similar charges be imposed on other primary beneficiaries of the Authority's management of the Marine Park. Most obvious among those not currently charged are private boat users of the Marine Park.

The EMC(2) component of the EMC structure relates to direct management costs, environmental impact and crowding, although the permit system and zoning are the principal management instruments in the case of environmental impact. Again, the equity issue is whether all actions by all people and organisations are satisfactorily treated by the EMC(2) component, permits and zoning. There are many areas where legal, administrative and political factors prevent the Authority extending its control to improve equity. However, shipping is an area which requires the Authority's management and there may be a case for an EMC(2) charge to recover those management costs.

Charges on resource rent

* The Government (through the Authority or otherwise) has not taken up the possibility suggested by the Australian Bureau of Agricultural and Resource Economics (ABARE 1991) of capturing resource rents from operators within the Marine Park. The Authority operates a well established system of permits which are now granted for extended periods and which are transferable. Before these permits can be used as a basis for imposing charges on resource rents, however, the criteria for their allocation would need to be changed so that they confer a high degree of exclusivity in access to popular sites.

Survey of tourism operators

* A mail out survey was conducted in May 1994 of the 482 tourism operators who were required to submit EMC returns. The response rate was 34.6%. Some of the more important results were:

Some 26% of respondents said the EMC was passed on through increased prices. There are reasons to believe that this response was biased downwards. Some 63% said the EMC was absorbed through reduced costs or profits and 11% did not answer the question.

The EMC as a proportion of operators' prices from Marine Park operations was generally very small (in 66% of cases it was 3% or less of prices charged), though in some cases it was large.

In most cases (75%) the EMC had no effect on the level of business.

Almost half of the respondents (46%) found the administrative tasks associated with the EMC extremely or very burdensome, while a small percentage (7%) found the records useful in their business. By far the worst aspect of their EMC administration was reported to be the keeping of log books (56%).

Over half (56%) of the respondents preferred the existing basis for charging the EMC (a fixed charge per visitor) to any other. Only 6% preferred an EMC equal to a given percentage of prices and only 5% preferred an EMC based on boat or accommodation capacity.

Major general concerns were:

It was said that the system disadvantaged "small operators" because the EMC as a percentage of their prices can be very large (sometimes over 20% for child visitors) whereas that percentage for large operators can be less than 1%. Large operators also have staff to maintain log books.

While some operators supported the EMC, they were concerned that the revenue was being used for general administration. Some operators could see no benefit from the funds collected.

Some operators resented the fact that the EMC was imposed only on tourism operators and believed that it should be imposed on all users of the Marine Park, especially commercial fishers and private boat users.

Other comments related to the requirement to pay "tax"; objections were raised to operators being required to be "unpaid tax collectors"; to the range of government charges they had to pay; and to having to pay both Authority and Queensland national park charges.

Recommendations

The terms of reference require that the reviewer make recommendations, in consultation with the Authority's legal officer, as to changes in legislation required to improve the operation of the EMC. Such recommendations have not been included here as it has been agreed that these be provided after the Authority has decided which, if any, of the following recommendations it wishes to implement.

The recommendations below have been developed in light of the discussion in Part 2 of the report and the application of principles presented in section 3.2.

1. Reporting

For the purposes of achieving transparency in the operation of the EMC and to assist its acceptance amongst operators, the Authority should inform operators of the purposes for which EMC revenue was spent at the end of each financial year, and keep them informed as to important developments or outcomes of that expenditure as they occur. (Section 3.3.1)

2. Equity of the basic charge

The Authority should consider changing the EMC for standard operations to become a period-of-day charge. "Part-day" operations, which are excursions in the Marine Park for periods of three hours or less (say) may be charged 50% of the basic EMC charge, while excursions of more than three hours should be subject to the full EMC basic charge. This principle could be extended to charges for scenic flights, semi-submersible and glass bottomed boats. In deciding whether to proceed with this recommendation, the Authority

needs to weigh the equity gains against the extra administrative and monitoring burden, and any loss of revenue involved. (Section 3.3.2)

3. Charge on private boat users of the Marine Park

In accordance with an earlier proposal, the Authority should consider a charge on private boat users of the Marine Park. The level of the charge should be based on the EMC for the standard tourist operation and payments should be paid annually. A significant proportion of revenue raised should be dedicated to the management of private boat users and to activities which are to their ultimate benefit. The most efficient way to collect the charge is to gain the agreement of the Queensland Government to collect the charge as part of boat registration and discussions should be undertaken to gain the Government's cooperation. If this fails then Marine Park access stickers could be sold through post offices. (Section 3.3.3)

4. Indexed increases in EMC charges

Subject to structural changes in the EMC recommended elsewhere in this report, the EMC charges should be indexed to the Brisbane CPI. (Section 3.3.4)

5. Log books and charging returns

Although many operators object to the clerical duties required to keep log books and provide charging returns, this review found that the log books and charging returns were well designed and provided clear instructions, and that the data required to be provided by operators was necessary for both financial accountability and Marine Park management. Thus, apart from changes implied by other recommendations in this report, if adopted, there are no recommendations here for changes in the log books and charging returns. The Authority, however, should consider accepting data on computer disk or in the form of audited quarterly financial records with supplementary information. (Section 3.3.5)

6. The non-signing of charging returns

If monitoring and administration costs are to be kept to a minimum, operators must be required to make a legally binding declaration of the correctness of information provided by them in relation to their EMC payments. Consequently, the existing system should

continue. That is, if an operator does not submit signed returns after attempts have been made to clarify misunderstandings which the operator may have, and after a warning, that operator's permit should be suspended. (Section 3.3.6)

7. Late penalties

The Authority should not be given the power to grant extensions of time for EMC payments. The existing arrangements are adequate. Operators whose permits are suspended for non-payment of the EMC charges for two successive quarters should be subject to a fine of \$2,000, in addition to existing penalties. (Section 3.3.7)

8. Pontoons

A pontoon owner should continue to be responsible for information on the number of visitors using the pontoon even when this information is gained from operators who deliver visitors to the pontoon. A pontoon owner, in this situation, should make the provision of the information required part of the contract with the operators, and include in the contract a provision for indemnity in the case when they incur loss because of incorrect information being supplied. There is no role for the Authority in this process, however. (Section 3.3.8)

9. Sunset cruises

The part-day charge should apply to sunset cruises where the tours last for periods less than the upper limit for that charge. Otherwise they should be required to pay the whole-day EMC rate. (Section 3.3.9)

10. Small EMC payments by scenic flight operators

Operators whose quarterly EMC bill is less than \$20 should be exempt from payment. These operators should be required to submit charging returns only as documentary evidence of the EMC payment owing. The scenic flight EMC charge should be changed to the part-day EMC rate. (Section 3.3.10)

11. Semi-submersibles and glass bottomed boats

The part-day charge should apply to semi-submersibles and glass bottomed boats where the activities last for periods up to the upper limit for that charge. Otherwise they should be required to pay the whole-day EMC rate. (Section 3.3.11)

12. Kayaks

The basic EMC is not a charge on environmental damage but a charge related to benefit obtained from use of the Marine Park. Thus kayak operators should be subject to the EMC charge, the appropriate rate being the part-day rate or whole-day rate depending on the period of time they spend in the Marine Park. (Section 3.3.12)

13. Cruise ships

Since cruise ship passengers gain benefits from the scenic and other qualities of the Marine Park they should not be considered to be transfer passengers and thus cruise ships should be required to pay the standard EMC. (Section 3.3.13)

14. Dinghy and half cabin boat hire

Where appropriate these operators should be subject to the part-day EMC charge. Log books must be completed to provide use data for Marine Park management purposes. (Section 3.3.14)

15. Horse riding

Operators swimming horses in the Marine Park should be exempt from the EMC. Any environmental impact problems arising from this activity should continue to be handled through the permit system. (Section 3.3.15)

16. Resort activities

Resorts who provide water sports free to guests should continue to be subject to the EMC and continue to be required to keep log books. (Section 3.3.16)

17. Sea planes

Sea plane operators should be exempt from paying EMC on passengers whose purpose is not for sight seeing but merely to undertake activities on an island or the coast. (Section 3.3.17)

18. Transfers in the case of shallow water

Passengers who undertake a trip as part of a transfer should not be included in the calculation of the EMC payable by the operator providing the transport. (Section 3.3.18)

19. Payment of flat charges when not operating

If charges on beach hire, pontoons, marina construction, mariculture facilities and vending operations when not operating do not reflect monitoring costs or damage or threat of damage to the environment then they are a type of resource rent charge and should be abandoned unless it is intended to introduce broadly based resource rent charges. (Section 3.3.19)

20. Monitoring of operations to confirm log book and charging return entries

The Authority, in conjunction with QDEH, should begin, as soon as practical, a systematic program of monitoring tourism operations to confirm the validity of log book and charging return entries. (Section 3.3.20)

The process of conducting a review and making recommendations and suggestions for change necessarily implies criticism of the existing system and its good points can easily be overlooked. There are many such good points. At the general level, the EMC system provides funds for research, education and information, as well as providing data which are crucial for Marine Park management. At the administrative level, the Authority has changed log books in response to operators comments, established communications with operators, conducted extensive consultation with industry before introducing the charge, conducted internal reviews, and subjected itself to this review. The Authority has tried hard to be efficient and responsive to problems when they have emerged.

PART 1: BACKGROUND

1.1 The Great Barrier Reef Marine Park Authority

1.1.1 Functions of the Authority

The Authority was established in 1975 under the Great Barrier Reef Marine Park Act 1975. Its functions (s. 7, 7(1B), 7A) include:

Managing the Marine Park;

Making recommendations to the Minister with respect to the care and development of the Marine Park, as to areas that should be declared parts of the Marine Park and with respect to regulations in relation to management of the Marine Park;

Undertaking by itself, or with other people and bodies, research and investigations relevant to the Park;

Preparing zoning plans;

Providing advice to the Minister on matters concerning the nature of the agreement between the Commonwealth and the Queensland Governments, and on the financial arrangements between the two governments in relation to Marine Park management. The Authority also receives and disburses monies involved in agreements between the Commonwealth and Queensland Governments and the Authority.

The provision of, or arranging the provision of, educational, advisory and informational services.

The provision of assistance to institutions and persons in matters relating to environmental management.

Other functions which are stated elsewhere in the Act and the regulations concerning zones, Special Management Areas, permissions for access, discharge of waste, moorings, fees for applications for permissions, environmental management charges, and pilotage.

1.1.2 The Authority's goal

Its goal is:

to provide for the protection, wise use, understanding and enjoyment of the Great Barrier Reef in perpetuity through the care and development of the Great Barrier Reef Marine Park. (GBRMPA 1993(b), p.6)

1.1.3 The Authority's aims

These are (GBRMPA 1993(b), pp. 6-7):

To protect the natural qualities of the Great Barrier Reef, while providing for reasonable use of the Reef Region;

To involve the community meaningfully in the care and development of the Marine Park:

To achieve competence and fairness in the care and development of the Marine Park through the conduct of research, and the deliberate acquisition, use and dissemination of relevant information from research and other sources;

To provide for economic development consistent with meeting the goal and other aims of the Authority;

To achieve management of the Marine Park primarily through the community's commitment to the protection of the Great Barrier Reef and its understanding and acceptance of the provisions of zoning, regulations and management practices.

To minimise costs of caring for and developing the Marine Park consistent with meeting the goal and other aims of the Authority;

To minimise regulation of, and interference in, human activities, consistent with meeting the goal and other aims of the Authority;

To achieve its gaols and other aims by employing people of high calibre, assisting them to reach their full potential, providing a rewarding, useful and caring work environment, and encouraging them to pursue relevant training and development opportunities;

To make the Authority's expertise available nationally and internationally;

To adapt actively the Marine Park and operations of the Authority to changing circumstances.

Other elements which affect the impact on implementation of the Authority's goal and aims are:

Decisions of the Authority;

The Authority's Corporate Plan, 1994-1999; and

The 25 Year Strategic Plan for the Great Barrier Reef World Heritage Area.

1.1.4 The importance of Marine Park management

There is increasing evidence from around the world that coral reefs require careful management if they are not to be degraded and lose their values.

Hughes (Hughes 1994; Townsville Bulletin 11 October 1994; Russo 1994) found that in relation to the Jamaican reefs, "lack of ecological management produces disastrous consequences" (Russo 1994, p. 1) and that this experience is a warning to other countries with coral reefs. He found that human stress on the Jamaican reefs, mainly in the form of excessive fishing, has destroyed the reefs with the percentage of "coral cover" (live coral) declining from between 20% to 80% (depending on the reef, but mainly nearer to 80%) in

1977 to less than 5% in 1993. He concludes that the Jamaican reefs may be beyond recovery.

The Great Barrier Reef is currently considered to be in good condition, but there is little doubt that it would become degraded without careful management. Such degradation would have catastrophic consequences on the Marine Park tourism industry and others, and would be a major scientific disaster. Appropriate management of the Marine Park is not possible without adequate finance.

The Authority is not, of course, the only government body whose policies impact on the Marine Park. In various degrees, decisions made by a wide range of local, State and Commonwealth organisations affect the Marine Park directly or indirectly. The Authority and QDEH are, however, the pre-eminent management bodies.

1.1.5 The management agreement

The agreement between the Commonwealth and Queensland Governments provides that:

The Commonwealth fund all initial capital works (lasting the first three years or so) required to establish the management of the Great Barrier Marine Park on a sound basis but that on-going capital works be funded equally by the two governments.

Moveable property which is acquired under the arrangements is to be used and administered by the Queensland Government; funds raised from its sale are paid into the day-to-day management account to offset Commonwealth and Queensland Government contributions on a 50/50 basis.

Fixed assets acquired under the arrangements are used by the Queensland Government and administered by which ever government (or Authority) owns the land on which they are located.

QDEH is to conduct the day-to-day management of the Park, subject to the Authority and the inter-government agreement.

The two governments fund equally the recurrent costs of day-to-day management of the Park, which may include Queensland national or marine parks which would or might affect the Great Barrier Reef Marine Park.

Expenditure on day-to-day management is to be in accordance with an annually agreed program.

The Authority is to administer funds provided by the Commonwealth and Queensland Governments for these purposes.

1.1.6 The importance of EMC revenue

The Authority's EMC revenue over the first year of operation of the charge (1993/94) was \$1.22 million. This is equivalent to 8.3% of the Authority's total operational revenue of \$14.61 million for the year, but 24.8% of the Authority's non-appropriation operational revenue of \$4.92 million. The EMC has clearly made a significant contribution to the Authority's attempt to become less dependent on revenue from government appropriations.

Circumstances and possible changes in the future may allow the Authority to further reduce its dependence on appropriations. These include the following:

Total EMC revenue will increase approximately in proportion to the number of visitors to the Marine Park. Providing visitor-related expenditure by the Authority does not increase in the same proportion, the EMC revenue will make an increasing net contribution to non-appropriation revenue.

This review makes recommendations and suggestions which, if implemented, will increase non-appropriations revenue. They include the recommendation that the Authority continue with its attempts to introduce a charge on private boat users of the Marine Park, and the suggestion that other charges be imposed on users who cause monitoring costs to be incurred, such as shipping, or whose actions cause damage or the threat of damage to the Marine Park.

At present, the permit application assessment fees do not recover the costs of assessment and these charges may be increased. In addition, there is the possibility of introducing charges based on resource rents.

1.1.7 Uses of EMC funds

In accordance with an understanding with the Marine Park tourism industry established before the introduction of the EMC, revenue from it is largely hypothecated to research, education and the production of information largely for the benefit of tourism. A large proportion is allocated to the Cooperative Research Centre for the Ecologically Sustainable Development of the Great Barrier Reef (CRC) whose objective includes "expanding sustainable Reef-based economic activity, with particular emphasis on tourism". Five of its eleven Board members are currently involved in Marine Park tourism and the CRC's research projects reflect the above objective (CRC 1994). The Authority's financial commitments to the CRC are \$500,000 in the first year of the CRC's operation (1993/94), rising to \$750,000 in the second year, and reaching \$1,102,000 in year seven, all stated in 1992/93 values. In 1993/4, apart from supporting the CRC, EMC revenue was spent on education, research and management of the Marine Park, with only 10% being spent on the administration of the EMC.

1.2 Stakeholders and beneficiaries and the Authority's revenue

There are many people and groups whose welfare is affected by management of the Marine Park. These stakeholders include people who use the sea, inshore areas, and the coast, as well as people living inland whose actions impact on the Marine Park by the discharges of waste and those who gain incomes from its existence. Preservation of the region causes both benefits and costs to these stakeholders.

Some of the more important direct stakeholders are local residents who use it for recreation and who enjoy the scenery, coastal Aboriginal people for whom the region constitutes their traditional estates, tourists and the tourism industry, professional and amateur fishers, the mariculture industry, the shipping industry, local governments who use the coastal outfall methods of disposing of waste, farmers whose activities impact on the region, potential miners of the region, scientists, and the public at large who benefit from simply knowing that the reef is being preserved.

The indirect stakeholders are the people and institutions who are affected by the activities of the direct stakeholders. These include the builders of coastal homes, boat and ship builders, retailers, wholesalers, the transport industry, suppliers of inputs to mariculture, the coastal farming industries, and coastal local governments who receive greater rates because of real estate development which takes place adjoining the Marine Park.

Some of the stakeholders are beneficiaries of the Authority's management activities. The economic worth of benefits is called the total economic value (TEV) which is the sum of the benefit from current use ("actual use value" or UV), the benefit from knowing that the resource will be available for use in the future ("option value" or OV) and the benefit from simply knowing the resource is being preserved ("existence value" or EV). Against this must be set the costs (C) to stakeholders who are adversely affected by the preservation of the region (mining companies and some developers, for instance). Thus

$$TEV = UV + OV + EV - C$$

The presumption has been that TEV is greater than zero, and while there is no systematic study of the issue, it would certainly appear to be so.

It is reasonable to require all of the beneficiaries of management of the Marine Park to financially contribute to its costs. Thus financial contributions from users such as visitors, private boat users and businesses who operate in the Marine Park can be justified. They obtain benefits of the UV type. The public at large also benefits through option and existence benefits (OV and EV). The importance of the option and existence value of the Marine Park

is underlined by the fact that it is now a World Heritage Area. Indeed, it has been argued that the use value of some environmental assets (such as the Marine Park?) may be only one fifth of their total economic value. (Walsh et al. 1981, 1985)

It follows from this that although direct users of the Marine Park should be required to contribute to the Authority's finances, it would be inequitable to require them to fund all, or even the majority of its costs. Equity requires that a substantial part of the Authority's income must come from the public at large, through consolidated revenue.

1.3 Some use values

Sally Driml (1994) provides some data on the actual use value to some of the beneficiaries. A summary of her results is provided in table 1.3. In this table:

Gross financial values are measured as either total expenditure (by tourists, for instance) or total revenue (from the sale of fish by commercial fishers). They measure the flow of dollars resulting from the activity and give a broad indication of an activity's contribution to Gross Domestic Product, but it does not measure it (intermediate purchases must be subtracted).

Direct financial values are immediate expenditures or revenues. Another issue is the impact of an industry on the immediate region and to examine this the *direct plus indirect* figures are used which include the regional multiplier effects as well. The regional multiplier used was 1.7 for tourism.

The economic benefit figures in the table are an attempt to measure "use value" as defined in section 1.2. There is considerable doubt about these figures and they constitute only one part of the total economic value of the GBRWHA.

As can be seen from the table, the total gross value of revenue (or expenditure) generated by tourism, commercial fishing, recreational fishing and boating and research in the GBRWHA

in 1991/92 was \$923m. In June 1994 prices this total is \$954m and that for tourism is \$705m. Thus the total of EMC charges as a percentage of gross revenue for the GBRWHA tourism industry overall is only 0.2%. It must be remembered, however, that not all tourism businesses pay the EMC, so that this percentage will be much larger for some operators.

Table 1.3 Financial and economic values of some uses of the GBRWHA

Per annum for 1991/92

Use	Description	Gross financial values	Economic benefit
Tourism	2.2m visitors	Direct: \$682m Direct plus travel: \$1,080m Direct plus indirect: \$1,159m	\$23m to \$584m
Commercial fishing	About 16,000 tonnes	Direct: \$128m Direct plus indirect: \$256m	Not known
Recreational fishing and boating	24,300 boats	Direct: \$94m + Direct plus indirect: \$168m	\$52m to \$124m
Aboriginal contemporary use			\$86m
Research	GBRMPA and AIMS	Direct: \$19.4m	Not known
Total		Direct: \$923m	

Source: Driml 1994, p. 16.

1.4 Entry charges for Australian national parks

The following table provides an indication of the charging methods and rates for world heritage areas and national parks in Australia.

It can be seen that there is no consistency in the method of charging and rates vary greatly across Australia. In some cases entry is free, or fixed regardless of the period of stay, or based on car entry, or levied only on camp sites. It is therefore not possible to convert all of

these charges to a per person per day basis without additional information, to provide comparisons.

Table 1.4 Entry and other charges for some Australian national parks

World Heritage Area or National Park	Fee	
Wet Tropics, Qld	nil	
Fraser Island, Qld	Vehicle permit, various for commercial operators, camping fees	
Kakadu, NT	\$10 per person entry	
Uluru, NT	\$10 per person entry	
Lord Howe Island, NSW	\$10 per person entry	
Tasmanian WHA	ac 1 - 1-14 CO nor weekend \$20 per	
Shark Bay Heritage Area	nil	
Monkey Mia Reserve, WA	\$4 per day adult, \$10 per day family, \$10 long visit adult	
Francis Peron	\$3 per vehicle, \$20 seven nights camping	
Jervis Bay, ACT	\$5 per car per week, \$25 per car per year	
Willandra Lakes, NSW	nil	
NSW Rainforest/CERA	nil	
NT parks	nil, "parks are for people, no charge for entry" philosophy	
Most Victorian national parks	Charges generally on camp sites and vehicles	

Source: Commonwealth Department of the Environment, Sport and Territories, NT Conservation Commission, Victorian Department of Conservation and Natural Resources, QDEH.

1.5 The Authority's and other charges on tourism operators

Another way of assessing the size of the Authority's charges is to consider them in relation to other charges and costs associated with tourism operations in the Marine Park.

Unlike users of many terrestrial parks who can gain access by foot, bicycle or private car, users of the Marine Park, other than private boat users, cannot access it without the services of a tourism operator. This means that all indirect taxes and government charges paid by the operator associated with providing access to the Marine Park can be considered to be government revenue from the operations of the Marine Park and can also be interpreted as costs of entry to the Marine Park.

Burgess (1994) reports that his company, Quicksilver Connections, paid an EMC of \$190,000 and other Authority charges of \$35,000 over a year. However, the company paid a total of \$1,701,000 in indirect government taxes and government required expenditures for that year, of which the Authority's charges amounted to only 13.23%. Some of these taxes, charges and required expenses were levied on entertainment and sales, which are not essential for gaining access to the Marine Park.

Considering only those which were directly related to gaining access to the Marine Park, the taxes and charges (fuel excise, etc.), including those paid to the Authority, amount to about \$1,092,000 or equivalent to \$5.75 per Quicksilver customer per day. Thus the total contribution to government finances excluding companies tax, or the total "entry fee", for Quicksilver Connections was \$5.75 per visitor per day. This is high when compared with the charges in table 1.4 and may be higher than the per day equivalent entry fee of any Commonwealth park excepting Uluru.

Further, these costs are compounded by the administrative difficulty for operators of providing a service in a sensitive and highly regulated environment, the benefit from which is enjoyed by users and non-users alike. Again using Quicksilver Connections as an example, it is required to hold over forty permits and to liaise with twenty-two government departments, and to maintain bonds on its pontoons of \$1,100,000.

While the details of these charges and administrative costs will vary greatly between operators, it is clear that they must ultimately be borne by the visitor and that these charges are generally substantial.

Thus the Commonwealth, when considering its contribution to the Authority's funding and when formulating its views about the Authority's self-raised revenue, should take into account the total contribution visitors and operators make to government revenue and the costs to the operators and visitors of maintaining an environment which is to the benefit to all Australians.

PART 2: THE ENVIRONMENTAL MANAGEMENT CHARGE

2.1 Development of the EMC

In April 1988 the Great Barrier Reef Ministerial Council, which facilitates the operation and funding of the Authority, in response to the Authority's increasing costs of administration, asked it to investigate the feasibility of imposing charges on commercial users. Further, in February 1991 the Council indicated that general tax payers should not be the only people financially supporting the costs of Marine Park management and that charges should be imposed on users.

An important factor influencing the introduction of the EMC was the fact that in the years prior its introduction, the use of the Marine Park had been increasing at the rate of 8% per annum, particularly in the form of tourism. It was perceived that more funds were needed to enable increased research on the impact of use of the Marine Park, to educate users about the Marine Park and their impact, and to make more effective management plans possible. It was also perceived that public opinion supported the idea that users of the Marine Park should contribute to the costs of its management.

Later in the development of the concept of the EMC, this approach was extended to include a charge on private boat users of the Marine Park (there were about 36,000 private boats registered in coastal towns and cities between Bundaberg and Cooktown in 1991 (ABARE 1991, p. 16)). After a Ministerial agreement that these users should be charged, and only 18 months before it was to come into effect, the Premier of Queensland announced that he did not approve of it and that the Queensland Government would not cooperate in its collection. The least cost method of collecting the charge was to add it to the already existing Queensland Government registration fee on private boats. The administrative costs of this method would have been minor, and this was important given the fact that the intended charge was small. The refusal of the Queensland Government to cooperate meant that the most cost effective way of collecting the charge was unavailable and so a charge was not applied to private boat owners.

Very extensive public consultations with tourism operators were undertaken before the introduction of the EMC. In addition, meetings were held with the Australian Tourism Industry Association (ATIA), the Far North Queensland Promotion Bureau, and the Great Barrier Reef Consultative Committee. The Association of Marine Park Tourism Operators (AMPTO) was established in this period to represent EMC payers and extensive negotiations were undertaken with it.

In June 1992, the Minister for the Environment, Sport and Territories announced that in July 1993 the charge would be imposed on commercial tourism operators in the Marine Park. After this announcement, two options for the EMC were proposed:

- (a) one based on a percentage of the carrying capacity of an operator's boat and frequency of operation in the Marine Park, and
- (b) one based on the number of passengers carried.

Further extensive consultations were undertaken, mainly for the purpose of determining which of these options the industry preferred. All Marine Park tourism operators were contacted by mail and a number of public meetings were held from Port Douglas to Brisbane. The majority of operators preferred option (b) even though it was going to require greater administration on their part. Having decided this, further meetings were held to explain the proposed structure and to obtain feedback from operators. Separate meetings were held with mariculture and sewage discharge permittees to discuss charges on them.

The EMC came into effect on 1 July 1993 and the charge on sewage discharge a month later, due to late changes to the legislation. Longer term (six year) permits and transferability of permits were also introduced at this time which provided benefits for operators.

The Authority decided to have an independent review conducted of the EMC after one year of operation (this review)

2.2 Principles of charging for resource use

2.2.1 General principles

The modern economic debate on resource use concentrates on two principles which are found in the economics literature variously known as "welfare economics", "economic efficiency" or "mircoeconomic reform".

The first principle is called user pays. This term is now used commonly and is often used incorrectly to mean the setting of charges so as to recover the total costs of the organisation controlling the resource in question. These are the wrong costs and the relevant costs on which to base charges are the costs to society of the particular use of the resource. Correctly stated, user pays is a charging system in which users pay prices equal to the "social costs" (true costs to society including both private and external costs) of using the resource.

When applied to financing the management of the Marine Park the doctrine suggests:

Every person directly causing costs in the form of monitoring and other administrative costs, damage of threat of damage to the Marine Park, and crowding, should be required to pay those costs in the form of charges ("user pays charges") imposed on the actions which cause those costs to be incurred. For example, the administrative costs associated with the processing of a permit should be recovered by a permit processing charge, acts of pollution in the form of sewage discharge should be subject to a charge and fines are appropriate for those causing damage to the Marine Park.

The financial loss which will occur because the sum of money raised by user pays charges is less than the total costs of managing the Marine Park should be borne by each of beneficiary groups but not the detriment groups. That is, funds should be raised from people currently using the Marine Park (gaining "use value" benefits), from those who are likely to use the Marine Park (gaining "option value benefits") and from the public at large, who may expect never to use the Marine Park but who like to know

that such a resource exists (gaining "existence value" benefits). There are in fact charges on some users (including permit applications assessment fees and the EMC), potential charges for potential costs in the form of performance bonds, and the public at large contributes through appropriations to the administering governments (Commonwealth and Queensland) from consolidated revenue.

Marine Park management should be efficient.

The second important principle in the debate on resource use asserts that many environmental problems arise because assets are owned as common property (rather than private property) or because the rights of private ownership are confused or uncertain. Common ownership, it is argued, leads to excessive exploitation and degradation of the resource, and the "tragedy of the [British] commons" is often quoted as a historic example of Under common property ownership, there is no incentive to conserve or this process. improve a resource since no user can exclude others from gaining the benefits, even though they do not contribute to the conservation or improvement. Thus, it is argued, common property title should be converted to private title. This process is called closure, after the enclosing of the rural commons in Britain throughout the 1700s. Enclosure does not necessarily involve allocating property ownership title to individuals. Permits, zoning, licences and the like can emulate private ownership. As an extension of this principle of private property, where some type of private title exists, its terms should be made clear and long lasting to prevent short term exploitation.

At a practical level, relying on user pays charges and enclosure of common property will not solve all problems associated with resource use. There will always be situations where these approaches are not practical and where benefits and costs remain excluded (called "externalities") from the process of decision making. Thus permits and management plans should have an important role in determining resource use. Further, there may be questions of equity of access or distribution of income which may require outcomes different from those produced by a regime of user pays charges and private property.

2.2.2 ABARE's recommendations

In 1991, ABARE published a report entitled Charging Users of the Great Barrier Reef Marine Park (ABARE 1991) and in it made recommendations based partly on principles discussed in section 2.2.1. It recommended:

The rights for tourism and mariculture operators to use particular sites should be clearly defined.

Private boat owners should be required to purchase use rights to designated areas and these charges should vary between areas to reflect the differing costs of monitoring their use.

Tourism operators and private boat owners should be subject to a common levy base for the purpose of management cost recovery - that is, the maximum likely number of visitor days per year spent in the Marine Park.

The Authority's accounting system should allow expenditures to be assigned to particular management activities and sites.

User group representatives should be consulted on the Authority's expenditures on management.

If "resource rents" (being profits calculated as the difference between revenue and all costs including the minimum return required to keep financial capital in the firm) are to be gained from tourism operators, then sites should be allocated to operators on the basis of competitive bidding for enclosed sites.

Current high demand reef sites should only be offered for tender in the long term, and only if current operators are told well in advance of the intention to do so. Resource rents, if collected, should be appropriated by Commonwealth consolidated revenue and used for Australia-wide purposes.

The report recommended a structure which would require substantial compliance costs for persons and industry, and administrative costs for the Authority, which seems to have been insufficiently appreciated by ABARE. The government decided instead to adopt a much simpler system than that suggested by ABARE, so that the two main charges are those for the processing of permit applications (introduced prior the ABARE report and the EMC) and the EMC. There has been no attempt to impose a charge on resource rents at this stage.

2.2.3 National Strategy for Ecologically Sustainable Development

The basic approach discussed in section 2.2.1 above is now incorporated in the National Strategy for Ecologically Sustainable Development (C of A 1992(a)). This is best illustrated by the discussion of pricing and taxation in relation to ecologically sustainable development (ESD), which describes the "challenge" as being:

To develop pricing and taxation arrangements which reflect social and environmental costs of resource use, while taking account of the equity and economic implications of proposed actions. (C of A 1992(a), p. 78)

2.2.4 RAC's recommendations

The Resource Assessment Commission's (RAC) inquiry into coastal zone management (RAC 1993) made many recommendations which are relevant to this review. The main ones, with their numbers shown as (R.xx), were:

Specific levies be used to help finance coastal zone management, provided that the measures are shown to be necessary for resource management purposes, that the revenue generated is set aside for these purposes, and that arrangements are fully transparent to the community. (R.47)

Government agencies should review existing charges with a view to recovering costs from users. (R.44)

Charges should be used to limit resource use where it has adverse environmental effects. (R.44)

Performance bonds should be extended to all new development excepting where equally effective enforcement measures exist. (R.46)

2.2.5 Views of the Tasmanian Department of Treasury and Finance

In a recent submission to the National Park Entry Fee System Review Panel, the Tasmanian Department of Treasury and Finance (1994) made specific comments and recommendations which were clearly based on the principles discussed above in sections 1.2 and 2.2.1. The main ones were:

The payment of an entry fee to a national park is a fee for service, namely use of the park. The fee should be set only in relation to a specific portion of the costs associated with the provision of the service, not in relation to the total costs of managing parks.

User fees as a means of recovering costs of providing services outside the government's core responsibilities are considered fair.

Parks provide private benefits to users and public benefits to the general community. Evidence shows that the general community places a high value on the preservation of areas for their wilderness, heritage, scenery, scientific and bio-diversity values and are willing to pay for it.

Users should only pay directly for the costs associated with their private benefits. These include the maintenance of camping grounds, roads within the park, buildings and operational facilities. The costs that result from public benefit include those of general administration and management, investment in infrastructure and general facilities. These should be borne by the public at large from consolidated revenue.

2.3 The Authority's charges

The Authority imposes two types of charges on users of the Marine Park. They are:

2.3.1 Permit Application Assessment Fee

Permits are required to conduct commercial activities in the Marine Park. Their purpose is to control environmental impacts and to separate conflicting activities.

The purpose of the Permit Application Assessment Fees (PAAFs) are to partly recover the costs incurred in assessing permit applications, and the revenue derived from these is shared by the Authority and QDEH. A guide to the PAAF charges is provided in Appendix B of this report. They vary, depending on the type of proposed activity, whether it requires the use of a facility or structure in the Marine Park, the carrying capacity of the aircraft or vessel to be used, and the amount of work required to assess the potential impacts. In general, the larger and more complex the activity, the larger are the costs of assessment and thus the larger is the PAAF. An "initial fee" is payable if the permit is for a new operation or if there is to be a significant change to an existing operation. A "continuation fee" is payable to gain a new permit at the end of an existing permit, when there is no significant change in the operation and when the application is lodged before the expiration of the former permit.

With the introduction of the EMC, changes were made to conditions of permits on which the EMC was payable. These included:

the term of most tourism permits was increased from three to six years;

permits are now transferable subject to approval by the Authority; and

deeds of agreement are drawn up which ensure permittees know the nature and contents of their permits, that they carry public risk insurance, that they remove equipment at the expiry of the permit, and that they indemnify the Authority in relation to certain matters.

A permit may be suspended or revoked under the following conditions:

damage or threat of damage to the Marine Park which was not reasonably foreseeable when the permit was issued;

the permittee fails to comply with a permit condition; and

late or non-payment of the EMC (later than one calendar month after the end of each quarter for suspension, and 60 days after suspension for revocation).

2.3.2 The Environmental Management Charge

The details of the EMC are contained in Part VA of the *Great Barrier Reef Marine Park Act* 1975 and Part 5A of the Act's regulations. They are summarised here in table 2.2.

Table 2.2 Main EMC charges

Nature of activity	Charge
Standard tourist operation: All tourist operations excluding beach hire, semi-submersible and glass bottomed boat use, installation and operation of tourist facilities, and some aircrast operations. They include day trips, extended charters, bareboats, sea kayaks, cruise ships and some aircrast operations.	\$1 per visitor per day or part of day, paid quarterly in arrears; free of charge visitors for the purpose of promoting the Marine Park or education are not included.
Transfer passenger operations: This is where people are transported into the Marine Park to disembark at a place contiguous to the Marine Park, are transported by the most direct reasonable route, and while transported do not engage in a tourism activity provided by the permit holder, or after disembarkation do not for 2 hours engage in any tourism activity provided by the permit holder.	nil.
Non motorised beach hire	Less than 6 pieces of equipment, \$48 p.a.; more than 6, \$100 p.a.
Dinghy hire	Less than 6 dinghies, \$200 p.a.; 6 or more, \$48 each p.a.
Motorised water sports	\$248 p.a. for motorised vessels; \$100 p.a. for jetskis.

mi-submersibles and glass-bottomed boats	\$0.20 per passenger, excluding visitors who are part of an excursion conducted by the permit holder on which EMC is payable.
ights for sight-secing only	\$0.20 per passenger.
ontoons	Where less than or equal to 40 square metres, \$45 per quarter; greater than 40 sq m, \$90 per quarter or \$1 per visitor per day, whichever is greater, excluding visitors who are part of an excursion conducted by the permit holder on which EMC is payable.
loating hotels	\$140 per quarter or \$1 per visitor per night, whichever is greater.
Marinas ()	During construction, \$190 per quarter; during operation \$190 per quarter or \$1 per berthed vessel per night, whichever is greater.
Underwater observatories (not attached to pontoons)	\$65 per quarter or \$0.10 per visitor whichever is greater, excludes visitors on an excursion conducted by the permit holder o which EMC is payable.
Sewage discharge	Tertiary treatment, and secondary treatment <5% effluent, \$200 per quarter; secondary treatment >5% effluent, \$200 per quarter plus charge depending on discharge.
Commonwealth island resort: Lady Elliot Island	\$1 per visitor per day, excluding visitors who are on an excursion conducted by the permit holder which EMC is payable.
Vessel based vendors primarily serving the tourism industry	
Commercial vessels chartered for non-tourism purposes	\$1 per person undertaking the program per day.
Pearl and clam culture	\$1000 p.a. for the first 10 ha ple \$400 p.a. per 10 has to a maximum of 60 ha.

Penalties in relation to the EMC are as follows:

Penalties with respect to log books and submitted data:

- (i) up to \$1,000 for not keeping up-to-date log books;
- (ii) up to \$4,000 for not supplying charging and data returns and other required information on time;
- (iii) up to \$8,000 for providing false or misleading information or false charging returns.

Interest is charged at the rate of 20% per annum for late payment.

An operator's permit may be suspended if the payment is not paid in full within one calendar month of the due date and the permit may be revoked if still unpaid at the end of 60 days of suspension.

Operators are reminded by the Authority that the EMC is a charge imposed on commercial operators and not on individual visitors, and that to advertise it as a charge on visitors could be considered misleading or deceptive, and therefore in breach of sections 52 and 53(e) of the *Trade Practices Act 1974*.

2.4 Structure of the EMC

Some observations can be made about the structure of the existing EMC charges:

2.4.1 Main purpose of the EMC

Although the charge is called the Environmental Management Charge, it is clear that the main purpose of the charge is to finance a particular aspect of Marine Park management, in the form of research, information and education.

2.4.2 Users of the Marine Park

During the development of the EMC concept, the target group of the charge varied. The term "users" was used extensively to mean the target group, and often included all those who benefited from recreation in the Marine Park, or those who profited from it, or those whose use damaged or threatened the Marine Park, or all of them. A charge on all simultaneously, however, possibly involves double charging and care must be made so as to avoid this. The three user groups can be defined:

- (a) All primary beneficiaries of Marine Park management. These users could also be called "consumers", and include visitors and recreational fishers. The EMC on standard operations, in so far as it is passed on to visitors in the form of increased prices or decreased services, can be justified on this basis. Equity requires that there be a similar charge on other beneficiaries such as private boat users. For the purpose of further discussion, an EMC targeting all primary beneficiaries or consumers will be called EMC(1).
- (b) All people or organisations earning profits from operations in the Marine Park. This group includes tourism operators, commercial fishers and mariculture operators. The optimal way to charge this group is by imposing a charge on their resource rents. It is not optimal to attempt to gain profits (resource rents) from tourism operators, for instance, by imposing a charge on the number of people using their services because these charges are so easily shifted to visitors in the forms of increased prices or reduced goods or services. Properly devised charges on resource rents cannot be shifted to consumers or suppliers of inputs.
- (c) All people or organisations whose actions require direct monitoring or cause damage or may cause damage to the Marine Park or who cause crowding at sites. This type of charge is of the strict "user pays" type. In this case the EMC would vary according to the impact of an action and would therefore depend on the conditions under which the action was taken. The EMC on standard operations is not of this type because the impact of visitors and operators varies so greatly between sites and conditions whereas this EMC charge does not. The EMC charges on sewage discharge is of this type, however. For the purpose of further discussion, an EMC targeting this group will be called EMC(2).

The list of EMC charges in table 2.2 above shows that the existing EMC charging structure includes charges of both the EMC(1) and EMC(2) type. The logic of EMC(1) may be used to justify existing charges on the standard tourist operation, non-motorised beach hire, dinghy hire, motorised water sports, semi-submersible and glass bottomed boats, sight-seeing flights, variable charges on pontoons, floating hotels, marinas and underwater observatories, and non-tourism charters. Charges on sewage discharge, and flat charges on pontoons, floating hotels and marinas (where they are believed to require monitoring or have an environmental impact or cause crowding costs) may be justified under EMC(2). If, however, there are no monitoring, environmental or crowding costs associated with these activities, they may be justified as a form of resource rent charge.

2.4.3 The role of permits, zoning and management plans

It is clear from the structure of charges, and revenue obtained from them, that the primary purpose of the EMC is to supplement the Authority's funding by imposing a charge on the beneficiaries of Marine Park management. The EMC's role in minimising monitoring costs or actual or potential environmental impact is minor and it is not used at all as a way of rationing scarce resources, in the form of particular sites in the Marine Park. Permits, zoning and management plans, combined with penalties for non-compliance and damage, are intended to be the main instruments performing these functions. Given the difficulty and costs of pricing all major areas and activities of the Marine Park as suggested by the strict user pays approach, the existing reliance on permits, zoning and management plans for these purposes is appropriate.

The use of an EMC which is composed of financing (EMC(1)) and user pays (EMC(2)) elements is justified provided the coverage is broad enough. The issue is whether all relevant beneficiaries are charged and all activities damaging or threatening the Marine Park are subject to the appropriate charge or permit or other management device. Clearly, at this stage, there is an argument for extending the EMC to cover private boat owners because they are beneficiaries of Marine Park management, because they cause management costs to be incurred and have adverse environmental impacts. There may also be a case for imposing a charge on ships using the Marine Park, in addition to the existing EMC, to recover monitoring costs.

2.4.4 Economic efficiency of the EMC

In terms of the principles of economic efficiency discussed in section 2.2 above, the EMC(1) component of the EMC structure imposes a price on an activity which may not directly lead to social costs being incurred, and is therefore inefficient because it equally discourages activities which cause no monitoring costs or environmental impact or crowding, and those which cause them. In the literature on economic efficiency, the value of this lost efficiency is called a "dead weight loss". Such an "inefficient" EMC may be justified as a "second best" solution, however, in this case if it is accepted that the Marine Park would be less than optimally managed without finance raised from this source. Given the reluctance of the government to increase contributions from general income sources for the purpose of Marine Park management, this is almost certainly so. It should be noted that the size of this dead-weight loss (as well as the difficulty of EMC administration) will increase if the real value of EMC charges increased.

2.4.5 Shifting of the EMC

The insistence that operators not describe the EMC as a charge on individual tourists is unnecessary and this statement is itself somewhat misleading as to the impact of the EMC. It is true that the operator pays the Authority, but whether the operator or visitor ultimately pays the EMC depends (as it does with all such charges) on the market conditions faced by the operator. In the survey of operators undertaken for this review (see table 3.1) it was found that of those who returned the survey form, 25.8% said that they passed part or all of the EMC on to visitors in the form of increased prices (62.9% absorbed it, possibly by decreased services and 11.4% did not answer the question). The proportion admitting to passing it on may be biased downwards because of the Authority's warning that the EMC is not to be described as a charge on visitors. In the longer term the actual percentage passing it on is likely to increase as the operators' pricing policies adapt to changed circumstances, especially for those who advertise overseas or via brochures and have to fix their prices for up to two years. Clearly, the ability of those who did absorbed the EMC through reduced profits to continue to do so will decrease with any increase in the real value of EMC charges.

Further to this point, the operator can only be expected to respond to the EMC in the way it does to any other cost of production. A comparable example is the cost of fuel for a transport company. It is paid in the first instance by the supplier. Increases in the price of fuel, however, are either passed on to consumers (in the form of increased prices or decreased quality or quantity of service), or not, depending on the market conditions which the supplier faces. Overall, however, fuel price increases are passed on to the consumer. Similarly, the EMC should be seen as ultimately impacting on visitors. Such an approach recognises the economic reality.

Failure to recognise that the EMC impacts on visitors in this way creates three specific problems:

- (a) If the EMC is interpreted as a charge on operators because they earn profits from the resources of the Marine Park then there is no justification for a charge on recreational users, because they do not earn profits. Indeed to charge them would be inequitable because this would result in local recreational users being charged while visitors (possibly from overseas) undertaking the same activities through an operator would not be charged. This may be interpreted as a subsidy paid by local residents to foreign tourists.
- (b) If it is assumed that the impact of the EMC is not shifted to visitors, so that it is a profits charge, then it is inequitable because the EMC payments by operators vary with the number of visitors and not with profits. There are, for example, small operators (with low EMC payments) earning high rates of return and large operators (with large EMC payments) making losses.
- (c) "Double dipping" now occurs. An example is the case where one permit holder who provides a cruise drops visitors off at a pontoon where another permit holder provides another chargeable activity. Because the EMC is imposed on permit holders and the visitors in this example use the services of two permit holders, two EMC payments must be made (or "the visitor is charged twice" as operators say). This is inequitable if those charges are in fact passed on to the visitor. At present, operators

can overcome this if they agree to consolidate their activities under one permit holder. A great deal of trust is required for this to take place and operators are reluctant to do this. Double dipping need not legally occur if the EMC is acknowledged as impacting on visitors because the number of visitors to be used when calculating the EMC payable by an operator would "exclude visitors who are part of an excursion conducted by any permit holder on which the EMC is payable", or words to that effect. It would be then the responsibility of the operators to ensure that double dipping does not occur.

It must be emphasised that the above discussion is concerned with the interpretation of the impact of the EMC, and not with the party who is legally responsible for paying the EMC. This should remain the operator, as is the case now, and as it is with similar cases where government charges exist.

2.5 Transfer passengers

Transfer passengers (defined in table 2.2) are not included by operators when calculating the EMC payable, except where they are being delivered to islands owned by the Commonwealth. Since Commonwealth owned islands are included within the Marine Park, activities on them are considered to be taking place within the Marine Park and thus attract the full EMC, paid for by the permittee providing the transport.

The EMC is not payable on the transfer of passengers to other islands within the Marine Park that are wholly or partly owned by the Queensland Government, or to privately owned resorts on islands. In so far as visitors to these islands enjoy benefits from the Marine Park, by swimming, site-seeing or other activities which are not chargeable, it can be argued that the transfer operators and transfer passengers are not adequately contributing to costs of management of the Marine Park.

Vessels that carry transfer passengers present a similar potential threat to the Marine Park (for example, the effects of bow waves on beaches, collision with marine wildlife and reefs,

and oil/fuel pollution in the event of mishaps involving vessels) as other operators in the Marine Park who pay the EMC. While it is possible to argue these vessels should be exempt from EMC(1) for transfer passengers because these passengers are often incidental beneficiaries of the Marine Park, there is a case for operators of these vessels to pay a charge for the potential and real adverse environmental impact on the Marine Park. That is, an EMC(2) type payment could be levied. If such a charge was to be imposed it should reflect the real or potential environmental impact and could be based on vessel size, the total distance travelled and the routes followed.

In principle, an EMC(2) could be extended to all vessels using the Marine Park, including aircraft. Such a charge would be consistent with principles stated later in section 3.2 of this report.

2.6 Equity of the EMC

Two general questions of equity arise in relation to the existing structure of the EMC. They are:

Should all operators pay the same rates of EMC, regardless of any shifting of the burden which takes place, and be subject to the same reporting requirements, even though their financial positions differ? In particular, should "small operators" and "large operators" pay the same EMC rates and have to keep the same records?

When considering individuals in society generally, it is common to discriminate in favour of the relatively poor. It is not, however, usual to treat business in this way and it should not apply to the EMC. That is, the existing EMC charges and reporting requirements should not be less, simply because a business is small. If recognition of the difference in profits between operators is desired in the Authority's charges, then it

should be through charges based on resource rents, because these cannot be passed on to visitors.

Is the EMC levied on all people or organisations who undertake an activity of the type on which the EMC is levied? That is, is the EMC charging base broad enough?

Clearly, if it is accepted that the EMC(1) component of the charge ultimately impacts on visitors then equity requires that similar charges be imposed on other primary beneficiaries of the Authority's management of the Marine Park. Most obvious among those not currently charged are private boat users.

The EMC(2) component of the EMC structure relates to direct management costs and environmental impact, although the permit system, zoning and management plans are the principal management instruments in the case of environmental impact. Again, the equity issue is whether all actions by all people and organisations are satisfactorily treated by the combination of EMC(2), permits, zoning and management plans. There are many areas where legal, administrative and political factors prevent the Authority extending its control. However, shipping is an area which requires the Authority's management and there may be a case for an EMC(2) charge to recover those management costs.

2.7 Resource rents

In the context of the term "resource rent", the word "rent" is misleading. It has nothing especially to do with land, islands, sea, etc. Resource rent is a measure of profit. It differs from the usual accounting or taxation definition because it is calculated as the difference between revenue and all costs, including the return which could have been gained if the capital had been invested elsewhere (known as the "opportunity cost of capital"). Resource rent is, therefore, a pure surplus of revenue over all costs.

The Government (through the Authority or otherwise) has not taken up the possibility suggested by ABARE (1991) of introducing charging devices for the explicit purpose of capturing resource rents from operators. Such devices could be justified if it is argued that all beneficiaries of Marine Park management should be charged, including profit earners. Charges on resource rents are an optimal method of capturing profits because, unlike other types of charges, these cannot be passed on to consumers or to suppliers. (For a discussion of the use of resource rent charges in the mining industry see Industry Commission 1991, pp. 365-377.)

Government charges, other than those which are shifted to consumers, involve the payment of some economic rent to the Government. Since it is likely that not all of the EMC and PAAF payments are passed on to visitors, the Authority is likely to capture some of the operators' economic rent through these charges. However, the level of rents captured is likely to be small and there is the possibility of increasing it through the use of other financial devices.

The introduction of a charging device which captures rents completely, however, such as ABARE's suggestion of competitive bidding for permits, would leave operators with no real profits, and result in their operations being marginal in the long term.

There are precedents from Australian Governments for the capturing of all or only part of the economic rents from the use of a resource. Some states have a resource rent tax on mining, for instance, which captures part of the resource rent. In some other cases, however, governments use secret tendering to allocate resources or contracts and this process extracts most or all of the rent.

The Authority operates a well established system of permits which are now granted for extended periods and which are transferable. Before these permits can be used as a basis for imposing charges on resource rents, however, the criteria for their allocation would need to be changed so that they confer a high degree of exclusivity in access to popular sites. Further, the Authority intends to use zoning and management plans in the future as an

alternative to permits for many areas, so that resource rent charges based on permits would have to be restricted to the most popular sites for which permits would still apply.

PART 3: THE ISSUES

3.1 Sources of information

Numerous sources of information and opinions have been accessed during this review. Appendix A provides a list the individuals and organisations consulted.

They included the Authority, whose staff time and files were generously provided. Various Commonwealth and Queensland Government agencies were also consulted.

Consultation with the tourism industry took place at three levels:

A mail out survey was conducted in May 1994 of all Marine Park tourism operators who were required to submit EMC returns. The form used for the survey is reproduced as Appendix C. It asked specific questions and invited operators to provide additional comments.

Interviews, by phone or in person, were conducted with organisations who were known to have specific problems with the EMC or were otherwise important for understanding the operation of the EMC.

Two interviews were conducted with AMPTO representatives and submissions were invited from the NQ Game Fishing Association and the Bareboat Charter Association.

The results of the mail out survey of Marine Park tourism operators are presented in table 3.1 below. As can be seen, the response rate was 34.6%. Whether the results are therefore biased depends on the reasons why the non-respondents did not reply. The survey form was only two pages long and should have taken only a few minutes to complete. Thus it is probable that operators who felt strongly about the shortcomings of the EMC would have taken the opportunity to express their views by completing the form.

Some comments about the results can be made:

Most of the operators who responded (62.9%) said they absorbed the EMC through reduced costs or profits, 25.8% said they increased prices and 11.4% did not answer the question. Given the Authority's warning that the EMC is not to be described as a charge on visitors, it is possible that more operators passed the EMC on in the form of increased charges than was recorded in the survey.

The EMC as a proportion of the prices charged by operators was generally very small (in 65.9% of cases it was 3% or less), with some exceptions where it was a large proportion. These exceptions were usually "small" operators.

In most cases (74.6%) the EMC had no affect on the level of business.

Almost half of the respondents (46.1%) found the administrative tasks associated with the EMC extremely or very burdensome, while a small percentage (7.2%) found the records useful in their business. By far the worst recorded aspect of administration was making entries in log books (55.7%).

However, over half (56.3%) of the respondents preferred the existing basis of the EMC (fixed charge per capita) than any other. Only 6% preferred an EMC equal to a percentage of revenue and 4.8% preferred an EMC based on boat or accommodation capacity.

Major general concerns were:

Some operators said that the system disadvantaged small operators because the EMC as a percentage of their prices can be very large (sometimes over 20% for child customers) whereas that percentage for large operators can be less than 1%. Large operators also have staff to maintain log books.

While some operators supported the EMC, they were concerned that the revenue was used for general administration. Some could see no benefit from the funds collected.

Some operators resented the fact that the EMC was imposed only on tourism operators and believed that it should be imposed on all users of the Marine Park, especially commercial fishers and private boat users.

Other comments related to them having to pay a "tax" (the EMC). Objections were raised to operators being required to be unpaid tax collectors, to the range of additional government charges and to having to pay both GBRMPA and Queensland national park charges.

Table 3.1: Tourism operators survey results

Item	No	%	
Responses			
Forms returned	167	34.6	
Forms distributed	482	-	
Type of business			
Day boat operators	71	39.4	
Overnight and extended boat tours	70	38.8	
Flights	9	5.0	
Bareboat charters	8	4.4	
Equipment hire	6	3.3	
Not included above, not stated	16	8.9	
Total (some respondents had more than one activity)	180	100.0	
How the charge was dealt with			
Increased prices	43	25.8	
Absorbed through reduced costs or profits	105	62.9	
No response or other	19	11.4	
Total	167	100.0	

MC as a percentage of the operator's charges		
finimal"	15	8.4
% and less	57	31.8
ore than 1% to 3%	46	25.7
ore than 3% to 6%	14	7.8
ore than 6% to 20%	3	1.7
ore than 20%	4	2.2
o response	40	22.3
otal (some operators had more than one charge)	179	100.0
las the EMC affected the volume of your business?		
es	17	10.0
No	126	74.6
No response	26	15.4
Total (some operators had more than one business)	169	100.0
How burdensome are the administrative tasks of EMC?		
Extremely	30	18.0
Very	47	28.
Not very	56	33.5
Not at all	15	9.
No response	19	11.
Total	167	100.
What are the worse aspects of the administration?		
Keeping log books	93	55.
Other (recording reefs visited, method of payment,)	15	
No response	59	
Total	167	100
What are the good aspects of the administration?		
Data useful for business	- 12	7
Other	C	C
No response	155	92
Total	167	100

	
94	56.3
8	4.8
10	6.0
13	7.8
42	25.1
167	100.0
1	***************************************
12	
11	
9	
9	
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4	
2	
2	
1	
58	
	8 10 13 42 167 12 11 9 9 8 4 2 2

Overall, the responses recorded in this table were supported by interviews with operators and industry representatives.

3.2 Principles for assessing the issues in the terms of reference

While ignoring the problems of precise measurement and in the light of the discussion in Part 2 of this report, the following broad principles have been used as a guide when making recommendations:

(a) All aspects of the EMC should be transparent, including payees of the EMC being regularly informed as to how EMC revenue is spent.

- (b) There should be two types of charges within the EMC structure:
 - (i) charges on all direct beneficiaries of the management of the Marine Park (called EMC(1) in Part 2), and
 - (ii) charges on all people and institutions whose actions require monitoring or cause pollution, damage, or create the possibility of these occurring, or where crowding occurs (called EMC(2) in Part 2).
 - (c) The level of the EMC should broadly reflect the payees' use of the Marine Park or the costs of monitoring, pollution, damage or threat of damage, or costs of crowding, as the case may be.
 - (d) Equity should apply in the sense that people who gain equal benefit or cause the same costs to be incurred should pay equally.
 - (e) The administration costs of the EMC should be low for both the Authority and EMC payees.
 - (f) Any information required to be provided by operators other than that necessary to justify EMC payments should be useful.

3.3 The issues

Where justified by the complexity of an issue, the discussion of it is presented in the following format.

- a. Title-
- b. Description
- c. Possible solutions or discussion
- d. Recommendation

Where the issue discussed is one explicitly asked for in the terms of reference for this review, this fact will be indicated by (TOR x.x.x) after the title, where TOR is an abbreviation for "term of reference" and x.x.x is the numbering used for that item in the terms of reference document.

The terms of reference require that the reviewer make recommendations, in consultation with the Authority's legal officer, as to changes in legislation required to improve the operation of the EMC. Such wording has not been included here as it has been agreed that this be done after the Authority has decided which, if any, of the recommendations contained in this report it wishes to implement.

3.3.1 Financial reporting to EMC payees

Description

It was clear from the mail out survey results that many tourism operators did not know the purpose for which EMC revenue was spent, and that this was a cause of suspicion and resentment.

Recommendation 1

For the purposes of achieving transparency in the operation of the EMC and to assist its acceptance amongst operators, the Authority should inform operators of the purposes for which EMC funds were spent at the end of each financial year, and keep them informed as to important developments or outcomes of that expenditure as they occur.

3.3.2 Equity of the charge on standard operations

Description

Many "small tourism operators" (meaning charging low prices for their tours), argue that the basic charge is inequitable because the \$1 EMC charge may be as high as 10% (for adults) or 20% (for children) of their price, and regardless of whether they absorb it or pass it on, the EMC is having a substantial detrimental effect on their business. For most "larger operators"

(those charging high prices), by contrast, the EMC represents less that 1% of their prices. Thus, it is argued, the EMC disadvantages the small operators and is therefore inequitable.

A discussion of equity of the EMC in the wider context is contained in section 2.6.

Possible solutions

(a) EMC equal to a given percentage of the price charged by operators.

This solution has been suggested often though there are some difficult problems associated with it.

- (1) The services offered by "small operators" and "large operators" are often very different and this explains a large proportion of the difference in their prices. The small operator, for instance, will often conduct a tour in which visitors are taken on a fishing or sunset watching tour, in a small boat, near a resort or town, and lasting only a few hours. The large operator, however, may provide a day trip to the reef, in a large and perhaps luxurious boat, provide an expensive meal with wine, and access to a pontoon, glass bottom boat and snorkelling equipment at the reef. Clearly, an EMC equal to a given percentage of price would in fact involve an extra penalty on the large operator in the form of an additional tax on the provision of food, wine, access to equipment, glass bottom boat and pontoon. Thus in the case of the large operator, the EMC would be a charge on a range of goods and services it provides to visitors, as well as a charge on access to the Marine Park.
 - (2) From (1) above, equity requires that such a charge, if implemented, would have to be equal to a given percentage of the cost of providing access to the Marine Park. This in turn creates many opportunities for large operators, in particular, to avoid the charge. In the above example, the operator could charge inflated prices for each of the services it provides during the trip, resulting in "access to the Marine Park", on which the EMC would be charged, being a minor amount. Similarly, resorts or tour companies could package tours so that there was no charge for access to the Marine Park and the actual cost could be covered by other charges.

In principle, similar problems exist in the ad valorum and profits based royalty systems for mining. However, in these cases, Acts, Regulations or government departments provide precise definitions as to how "value of output" or "profits" are defined. If this EMC system is to be used, something similar would have to be done, defining the "cost of access to the Marine Park" for all operators. However, it would be very complicated to do, since the are at present 507 operators, providing a very wide ranging access to the Marine Park. Such a system, if implemented, would involve the Authority in greatly increased administration and monitoring costs. The importance of these problems would increase as the rate of EMC as a percentage of operators' charges increased.

(b) Exempt small operators.

The main problems with this are:

Determining the boundary between "small" and "large" operators.

What to do with a large company which has a small operation?

If it is accepted that the EMC ultimately impacts on visitors then this would discriminate against visitors using large operators.

It is likely that most private boat users are short term users of the Marine Park. Thus it would be inequitable to impose an EMC on small boat users while exempting tourism operators who use the Marine Park for the like periods.

3. Part-day EMC rate

Tours which last for three hours or less could be subject to a part-day EMC rate equal to 50% of the basic EMC charge, which would apply for tours lasting more than three hours.

The EMC(1) component of the charge is intended to be a charge on benefit derived from use of the Marine Park. The benefit enjoyed varies, depending on the period of time in the Marine Park, the location, type of activity and the visitor's attitudes. Administering an EMC which varied according to each of these factors would be too costly, of course. However,

EMC rates already vary, somewhat, depending on the type of activity, and the part-day EMC rate solution involves the EMC varying according to the period of use of the Marine Park.

Advantages of this system over alternatives 1 and 2 above are:

The charge is on benefits from use of the Marine Park and not on other services provided by the operator.

The Authority's administrative costs would be much less than under the proposal that the EMC be equal to a given percentage of the operator's price.

Since "small operators" would not be exempt, the boundary problem is avoided and an inequity, if a charge on private boat users is introduced, would not exist.

The part-day use data obtained from log books may be useful for Marine Park management.

Some possible problems with this solution are:

(a) Additional administrative workload

The introduction of a part-day EMC rate will increase workload for the Authority's staff and the resulting staffing implications of this and other recommendations and suggestions are discussed in section 3.4. The extra work will involve designing changes to the legislation; the log book for standard operations (and possibly others) will have to redesigned, involving the insertion of an extra column (for "part-day Pax") and other changes; there is likely to be an increased error rate in operators' log book entries; increased time will be required by the Authority's staff to make the computer data entries; and operators will have to be educated as to the changes.

(b) Additional problems in monitoring log book and charging return information

Because the EMC system has been in existence for only one year, little has been done to
monitor log book and charging return information on a systematic basis to ensure that

operators are making the correct EMC payments. It is intended that a monitoring program will begin in 1995. The fact that an operator may conduct both part-day and whole-day excursions, and pay part-day and whole-day rates, may create additional monitoring problems.

(c) Loss of revenue

It was not possible to discover the number of operators who may take advantage of the part-day rate, or the loss of EMC revenue which may follow. However, 12 of the 167 respondents to the tourism operators survey (table 3.1) considered that the existing EMC structure disadvantaged "small operators". If this proportion, 7.2%, is extrapolated over the 507 operators who pay the EMC, then as many as 38 operators may take advantage of the part-day rate. The loss of revenue is likely to be much less than 7.2%, however, for three reasons. First, operators who feel that the EMC is inequitable because they conduct part-day excursions are likely to have a higher representation amongst those who returned the survey forms than amongst those who did not, because they had a specific complaint about the EMC. Thus extrapolating to 7.2% of complainants over the 507 operators is likely to exaggerate the number of operators in this category. Secondly, most of the operators who conduct part-day excursions will service only small numbers of visitors so that less than 7.2% of visitors will be involved. Finally, if the part-day EMC rate suggestion is accepted along with other related recommendations (later), revenue from scenic flights, semi-submersible and glass bottomed boats will increase, partly offsetting the reduction in revenue from standard operations.

(d) Operators' burden

Some operators will need to change their ticketing or other systems to allow them to separate part and whole-day visitors and under some circumstances it will be best for them to count all customers as whole-day visitors.

Despite the possible problems with the part-day proposal, this review considers that the Authority should consider this as a solution to the equity problem in relation to the charge on standard operations. QDEH has similar charges for entry to national parks.

Recommendation 2

The Authority should consider changing the EMC for standard operations to become a period-of-day charge. "Part-day" operations, which are excursions in the Marine Park for periods of three hours or less (say) may be charged 50% of the basic EMC charge, while excursions of more than three hours should be subject to the full EMC basic charge. This principle could be extended to charges for scenic flights, semi-submersible and glass bottomed boats. In deciding whether to proceed with this recommendation, the Authority needs to weigh the equity gains against the extra administrative and monitoring burden, and any loss of revenue involved.

3.3.3 Charging private boat users

Description

A major equity concern raised by operators (13.8% of general comments in the survey were concerned with it (table 3.1) and various personal interviews), by industry representatives, and by government officers was the fact that there is no charge imposed on private boat users of the Marine Park which is equivalent to the EMC. If it is accepted that the EMC is a charge on tourism operators which in general impacts on visitors, then equity requires that a similar charge be imposed on private recreational users of the Marine Park, since they are also beneficiaries of Marine Park management. The main questions associated with this idea are who should pay the charge, what level should the charge be, and what is the most efficient way of collecting the charge?

Discussion

Of all private recreational users of the Marine Park, only private boat users should be targeted for an EMC charge, for both practical and environmental reasons. The level of the charge on private boat users of the Marine Park should be related to the EMC. It may be argued however that, unlike the tourism visitor, the average private boat user is primarily interested in fishing, and this is less dependent on the Authority's activities than are the activities of the typical tourism visitor. Thus recreational users should be charged a lower EMC(1). Offsetting this, however, is the fact that private boat users are likely to endanger

and damage the Marine Park more, on a per capital basis, than are tourism visitors. Examples are damage caused by anchors, litter, and harm to marine animals by power boats. They are also more difficult to monitor than are tourism visitors. This justifies an element of an EMC(2) in their charge. Consequently, a charge on recreational users based on the EMC for standard tourist operations seems justified.

The charge could be calculated as follows. If the average private boat using the Marine Park contains three people per trip and each boat is used for the equivalent of six full days per year, then the annual charge should be 18 times the EMC for the standard tourist operation. At current rates this would be \$18 per annum. ABARE (1991, p. 16) found, using data from 1991 and 1989, that there were 36,000 boats registered in coastal towns and cities between Bundaberg and Cooktown and approximately 690,000 visitor days were spent aboard private boats in the Marine Park. On this basis, the annual charge per boat would be \$19. Before proceeding with this charge, however, current data should be acquired.

If the recommendation made earlier in this report that a part-day charge be introduced and private boat users were found to generally use the Marine Park for part-days (as defined in that recommendation), then equity requires that the charge on private boats be calculated on the basis of the average number of part-days private boat users access the Marine Park.

In line with the principles applying to the use of existing EMC revenue, it is reasonable that part of the revenue raised from a charge imposed on private boat users be hypothecated. That is, some of the money so raised should be dedicated to the management of private boat users of the Marine Park and to activities which they can see is in their long term interest (provision of mooring buoys, etc).

In earlier discussions of this idea, it was suggested that the charge on private boat users be collected by the Queensland Government as part of boat registration and this is still the most efficient procedure. Discussions should continue with the Queensland Government in an attempt to gain its cooperation in this matter. If the Queensland Government decides not to cooperate then a system could be introduced which required private boat users of the Marine Park to display a marine park access sticker in some prominent position of the boat. This

sticker could be obtainable from post offices. Costs of this system would include paying a commission to Australia Post and the costs of inspection (on boat ramps or in the Marine Park).

Recommendation 3

In accordance with an earlier proposal, the Authority should consider a charge on private boat users of the Marine Park. The level of the charge should be based on the EMC for the standard tourist operation and payments should be paid annually. A significant proportion of revenue raised should be dedicated to the management of private boat users and to activities which are to their ultimate benefit. The most efficient way to collect the charge is to gain the agreement of the Queensland Government to collect the charge as part of boat registration and discussions should be undertaken to gain the Government's cooperation. If this fails then Marine Park access stickers could be sold through post offices.

3.3.4 Indexed increases in EMC charges (TOR 6.1.12)

Description

At public meetings during the development of the EMC, operators expressed a preference for increases in the EMC in accordance with increases in the CPI, rather than as a result of a regular formal review. Because of the low rate of inflation currently experienced, this may imply an EMC on standard tourist operations of, say, \$1.03. The "odd" amount may contribute to error when calculating the total amount payable to the Authority and may increase the administrative burden.

Discussion

The "odd" amounts may cause problems for both operators and the Authority. The operators face two possible problems. The first will arise where the operator passes the EMC on the visitor in the form of increased prices. Where the visitor pays in cash, the operator will have to round the charge up or down to 5 cents. This is done in retailing. The second possible problem concerns the payment of the EMC by the operator to the Authority. There is no difficulty here either because operators pay the Authority by cheque. Thus there would seem to be no significant problem for operators at the practical level.

The Authority may find that operators make more errors when calculating their EMC payments and this will involve more work on behalf of EMC staff. However, the operators believe that an understanding was reached with the Authority that increases would be in line with the Brisbane CPI, and there is a strong case for adhering to this since the understanding was reached so recently.

Recommendation 4

Subject to structural changes in the EMC recommended elsewhere in this report, the EMC charges should be indexed to the Brisbane CPI.

3.3.5 Log books and charging returns (TOR 6.3)

Description

Mandatory EMC log books were suggested in the ABARE study (1991, p. 5) and for the reasons provided there and for others, this suggestion has been adopted. They are intended to provide data on which EMC payments are based, and to assist Marine Park management by providing details of the number of visitors to sites on each day of the year. Many operators complain about the time required to fill in log books.

This review has examined log books and charging returns at five levels. First, views were obtained from operators as to how burdensome the reporting procedures were and what in particular they had difficulties with. Secondly, this review examined the log books and charging returns (the results are provided in Appendix D) to assess the clarity of instructions given and complexity of the information required of operators. Thirdly, inquiries were made to ensure that the information provided by the operators is useful in Marine Park management. Fourthly, the Authority's internal auditor's report on the financial documentary process associated with the EMC was noted. Finally, other approaches have been suggested and these are reported and commented upon.

(a) Operators' administrative burden

Some 46.1% of respondents to the operators survey (see table 3.1) reported that the administrative tasks associated with the EMC were extremely or very burdensome, and

55.7% of respondents said that keeping log books was the worst aspect of the EMC administration. More detailed comments recorded on the survey forms were as follows (the number of respondents expressing each opinion is recorded in brackets):

```
too much paperwork required (42)
too much time required to complete entries (11)
too much paper work considering the small EMC payments required (1)
the Authority should collect the data (1)
have to make entries in more than one log book (3)
duplication with other government departments requirements (1)
simplified log books needed (5)
smaller log books needed (8)
requirement for accuracy in reporting creates problems (3)
should only have to record changes in activities (1)
use computer link rather than log books (1)
 new log book for non-standard operations (1)
 distinguishing transfer visitors from non-transfer visitors (4)
 ensuring visitors complete log book (4)
 ensuring staff complete log book (1)
 daily recording (5)
 duplication of records (1)
 repetitive filling out of forms (1)
  recording all sites visited (6)
  log books filled out under difficult conditions (1)
  requirement to complete forms when not operating (5)
```

It is clear that most criticism was in the form of an objection to the requirement to keep log books (first four comments above), and not to the particular nature of the log books. Specific complaints, however, were made in relation to the size and complexity of the log books, the need to make daily entries, making entries when not operating, distinguishing transfer from non-transfer passengers, and ensuring visitors complete log books (in the case of bareboat operators).

The time required for operators to complete log book entries and the person making them vary considerably, as illustrated in table 3.3.4.

Table 3.3.4 Making of log book entries

Size of operator (activity)	Time required to enter data per week	Person completing entries	Specific problems
small (boat tours, etc)	30 minutes	owner	
small (boat tours)	120 minutes	owner	separating visitors who undertake more than one activity per day
small (scenic flights)	60 minutes	office	
small (scenic flights)	few minutes	pilot	
small (kayaks)	30 minutes per operating day	trip leader	
small (pontoon owner)	2 hours per quarter	office	
medium (boat tours)	small	skipper	data required for other purposes
arge (boat ours)	120 minutes	office	data required for other purposes

Source: Interviews with operators.

(b) Clarity of instructions and complexity of information required

This review examined the log book and charging return forms to assess the clarity of instructions and complexity of information required. This has been done for the purpose of seeing whether the operators' tasks could be make simpler. The results are presented in Appendix D. It was concluded that the log books and associated charging returns are well designed and provide clear instructions. They are easy to use and are not unduly time consuming to maintain.

Given that the information provided by log books and charging returns are required for accounting and management purposes, this review finds that they cannot be further simplified in the interests of operators.

(c) The importance of the use data provided by the log books

The log books provide the Authority with information on the number of people visiting reefs or bays through tourism operators, on a daily basis. This information will be called "use data" in the following discussion. The use data are entered into the computer by EMC officers and analysed by the Planning Information Unit (Planning and Management). The data are stored in the ORACLE data base and the program ARC-INFO is used to assign the numerical data to maps, allowing the Authority's staff to describe and analyse use of the Marine Park by visitors and operators in fine detail.

In the early stages of the EMC use data collection, some 50% of the data was unusable for planning purposes due to incorrect or unrecognisable reef identification, incorrect or unrecognisable reef names, non-positioned latitudinal or longitudinal coordinates, data entry errors, location data not being supplied, and other factors. The log books have since been changed so that this problem is now greatly diminished. Questions about activities undertaken at each site have been removed from the log books and although this information is important, problems with the data made it of doubtful use. It is expected that research programs to be undertaken by the CRC and the Authority will provide this information.

Since there is effort involved for the operators in providing use data and resources required by the Authority to process them, an important question is whether these data are useful.

To date, use data have been used in the following applications:

the development of management plans;

CRC research projects;

assisting the Authority in the formulation of its position on the Port Hinchinbrook-development;

the production of public information and education materials by the Authority; and supplementing other use information.

It is anticipated that in the near future additional applications will include:

identifying reef "hot spots" (areas of intensive use) which may require special attention
by management; and
assessing permit applications.

Further, its use and importance is likely to grow over time because:

the Authority now has use data for a complete year; successive years of data will allow analysis of trends; and

the intended reduction in reliance on permits as a management tool, in favour of site plans and other management approaches, will result in a decline in the information provided by permits, and thus make the EMC data the only source of overall information on the use of sites by visitors and operators within the Marine Park.

Taking the above factors into account, this review considers that it is essential that the use data questions be retained in the EMC recording requirements for operators.

(d) The Authority's financial documentary processes associated with the EMC

Independent of this review, the Authority's internal auditor conducted an examination of the Authority's financial documentary processes associated with the EMC. The report from the auditor in included here as Appendix E.

As can be seen from that appendix the auditor, independently, agreed with this review in relation to log books and charging returns, by finding that:

we do not believe that it is possible to further simplify the operator's record keeping, and lodgement requirements on operators.

In relation to the flow of documentation through the Authority, the auditor stated that:

the documentary flows are adequate for the capture of scientific data [use data], and
provide compliance with internal controls over the receipt of monies, and there is no
evidence of unnecessary double handling of documentation.

The auditor did have some concern, however, over possible transcription errors and the control of debts due to the Authority. These are detailed in the appendix.

(e) Suggested alternatives to log books

Alternatives to the existing log books have been suggested and the Authority has the power to allow them. They include:

- (i) allow operators to submit data on computer disk in an agreed format;
- (ii) allow operators to submit audited quarterly financial records along with supplementary information;
- (iii) require weekly information rather than daily information; and
- (iv) use a ticket system, whereby the operator buys books of tickets from the Authority
- (\$1 each ticket for standard tourist operations) and issues tickets to visitors as they undertake chargeable activities.

Suggestions (i) and (ii) above have some merit and the possibility of allowing these should be considered, while bearing in mind that fact that if operators provide information in differing formats then the administrative costs of the EMC may increase. Suggestion (iii) would result in the loss of use data on a daily basis, which is considered to be important for Marine Park management. Suggestion (iv) would allow the visitor to know that the EMC payment is made in relation to his/her activity, however, it would not provide the use data required for Marine Park management. While these alternatives may provide improvements for particular operators, the operators survey results and discussions with operators have revealed little overall interest in them.

Recommendation 5

Although many operators object to the clerical duties required to keep log books and provide charging returns, this review found that the log books and charging returns were well designed and provided clear instructions, and that the data required to be provided by operators was necessary for both financial accountability and Marine Park management. Thus, apart from changes implied by other recommendations in this report, if adopted, there are no recommendations here for changes in the log books and charging returns. The

Authority, however, should consider accepting data on computer disk or in the form of audited quarterly financial records with supplementary information.

3.3.6 Non-signing of charging returns (TOR 6.3.2)

Description

The suggestion has been made that an operator's permit should be suspended or revoked in cases where charging returns (the formal declarations of correctness) have not been signed and submitted, even though the EMC payment has been received.

Recommendation 7

If monitoring and administration costs are to be kept to a minimum, operators must be required to make a legally binding declaration of the correctness of information provided by them in relation to their EMC payments. Thus if an operator does not submit signed returns after attempts have been made to clarify misunderstandings which the operator may have, and after a warning, the permit should be suspended.

3.3.7 Late penalties (TOR 6.2)

Description

At present the Authority's Regulations require payment of the EMC within one calendar month after the end of the quarter and there is no provision for granting extensions. The question arises as to whether the Authority should have to the power to grant extensions and if so, what policies should be adopted and at what level of delegation should decisions be made.

Discussion

The details of provisions relating to suspensions and revocations are provided in Appendix F. Briefly, the issues are:

A chargeable permission may be suspended if a complete EMC payment is not made within one calendar month after the due date. If payment is received within 60 days of

suspension then the permit is reinstated. Some operators are suspended in successive quarters and there is no effective penalty for this.

If the payment is not made within 60 days of permit suspension, then the permit may be revoked. However, the permittee can make a late payment, apply for consideration for a permit and be granted it, because the decision is based only on whether the EMC payment is paid.

The 20% interest chargeable on EMC payments outstanding is not a deterrent where small amounts are involved, and it is generally waived for small amounts on the grounds of administrative efficiency.

In almost all cases where recurring late payments have occurred, the value of EMC payments outstanding was very small and payment of these amounts would not have threatened the operator's survival. Thus there is no need for the Authority to be given the power to grant extensions and to do so would create an additional administrative workload without any benefit in the form of increased equity. Appendix F outlines the discretionary powers that the Authority already has in these matters.

Cases of recurring suspensions create a considerable administrative workload and the operator incurs no real penalty provided it does not wish to conduct business during the periods of suspension (many operators only conduct business during part of the year). Thus a penalty should be imposed, and this review recommends that a fine of \$2,000 be imposed on operators whose permit is suspended in two successive quarters for non-payment of the EMC.

Recommendation 7

The Authority should not be given the power to grant extensions of time for EMC payments. The existing arrangements are adequate. Operators whose permits are suspended for non-payment of the EMC charges for two successive quarters should be subject to a fine of \$2,000, in addition to existing penalties.

3.3.8 Pontoons (TOR 6.1.5)

Description

In most cases the owner of a pontoon also operates the boats which transport people to the pontoon. However, in at least one case, the boats are not owned by the pontoon owner. Thus the pontoon owner does not directly know how many people visit the pontoon and must obtain this information from the boat owner in order to determine the amount of EMC payable. The question arises as to whether it is reasonable to expect the pontoon owner to provide this information from a secondary source.

Discussion

There are many similar situations in business and often a contract between parties, which requires the supply of information, includes the provision that the supplier is required to indemnify the receiver in cases where the receiver incurs costs because of incorrect information.

Recommendation 8

A pontoon owner should continue to be responsible for information on the number of visitors using the pontoon even when this information is gained from operators who deliver visitors to the pontoon. A pontoon owner, in this situation, should make the provision of the information required part of the contract with the operators, and include in the contract a provision for indemnity in the case when they incur loss because of incorrect information being supplied. There is no role for the Authority in this process, however.

3.3.9 Sunset cruises (TOR 6.1.1)

Description

"Sunset cruises" are excursions of short duration, up to four hours per day, at any time of day. These are inexpensive, so that the \$1 EMC represents a large proportion of the price of the trip. Some operators have argued that the existing EMC is inequitable because it is a large proportion of their price but only a small proportion of the prices charged by operators

providing tours for the whole day. This issue was discussed in detail in section 3.3.2 concerned with the equity of the basic charge.

Recommendation 9

The part-day charge should apply to sunset cruises where the tours last for periods up to the upper limit for that charge. Otherwise they should be required to pay the whole-day EMC rate.

3.3.10 Scenic flights (TOR 6.1.7)

Description

Scenic flights are defined as flights which depart and return to the same location, which fly over the Marine Park and do not land on any part of the Marine Park. The EMC for these flights is 20 cents per person. Some EMC payments to the Authority from this charge are less than \$1.00.

Discussion

There appears to be a number of aircraft companies who occasionally undertake scenic flights and whose quarterly EMC payments are very small. These operators must complete log books and charging returns. The effect of this is that the operator and the Authority incur substantial administrative costs for little return to the Authority in revenue and use data. It would seem reasonable to exempt operators (in any activity) whose quarterly EMC payment is less than, say, \$20. They could also be exempt from submitting log book data and be required to submit the charging return only.

Recommendation 10

Operators whose quarterly EMC bill is less than \$20 should be exempt from payment. These operators should be required to submit charging returns only as documentary evidence of the EMC payment owing. The scenic flight EMC charge should be changed to the part-day EMC rate.

3.3.11 Semi-submersibles and glass bottomed boats

Description

The current EMC charge is 20 cents per passenger, provided the visitors are not part of an excursion conducted by the permit holder on which EMC is payable.

Recommendation 11

The part-day charge should apply to semi-submersibles and glass bottomed boats where the activities last for periods up to the upper limit for that charge. Otherwise they should be required to pay the whole-day EMC rate.

3.3.12 Kayaks (TOR 6.1.8)

Description

Several operators conduct sea kayak tours in shallow coastal waters in the Marine Park, and camp in national parks. These are considered to be standard tourist operations and subject to an EMC of \$1.00. Some operators complain that they have a low environmental impact and should not be charged the EMC.

Recommendation 12

The basic EMC is not a charge on environmental impact but a charge related to benefit obtained from use of the Marine Park. Thus kayak operators should be subject to the EMC charge, the appropriate rate being the part-day rate or whole-day rate depending on the period of time they spend in the Marine Park.

3.3.13 Cruise ships (TOR 6.1.2)

Description

Cruise ships are required to pay the EMC on passengers in the Marine Park. Some operators have objected to this.

Recommendation 13

Since cruise ship passengers gain benefits from the scenic and other qualities of the Marine Park they should not be considered to be transfer passengers and thus cruise ships should be required to pay the standard EMC.

3.3.14 Dinghy and half cabin boat hire (TOR 6.1.9)

Description

Operators involved in dinghy hire, where boats are 6 metres in length or more, and half cabin boat hire are required to pay the standard EMC of \$1 per day and a bareboat hirer's log must be completed. Some operators have complained that it is unreasonable to charge the EMC on these operations, because the hire is often for a few hours only, and there is no suitable place on board to store log books.

Recommendation 14

Where appropriate these operators should be subject to the part-day EMC charge. Log books must be completed to provide use data for Marine Park management purposes.

3.3.15 Horse Riding (TOR 6.1.10)

Description

Commercial operators who swim their horses in the Marine Park require a permit. They do not currently pay the EMC and there are no guidelines as to how these operators should be charged.

Discussion

There are two issues here. The first relates to the benefit which horse owners and riders receive from use of the Marine Park. Given the short periods per day for which horses are swum, and the difficulty of enforcing and collecting EMC payments, it is recommended that they be exempt from an EMC charge. The second is the potential damage and crowding which can occur in areas where horses are swum. This problem is best addressed through the permit system.

Recommendation 15

Operators swimming horses in the Marine Park should be exempt from the EMC. Any environmental impact problems arising from this activity should continue to be handled through the permit system.

3.3.16 Resort activities (TOR 6.1.6)

(a) Free services

Description

Many resorts provide water sports free to guests and so do not record the number engaging in these activities for the purpose of making EMC payments.

Discussion

The EMC charge should apply in such cases since guests of the resorts are beneficiaries of management of the Marine Park, and resorts should be required to keep appropriate logs to provide information for the basis of EMC charges and to provide use data for Marine Park management. Further, to exempt such services would unfairly disadvantage other operators in the area who are not part of a resort but who provide comparable services. These operators have to charge their customers directly and so have to pay the EMC.

Recommendation 16

Resorts who provide water sports free to guests should continue to be subject to the EMC and continue to be required to keep log books.

(b) Multiple EMC charges

Description

A Marine Park visitor may arrive at resort and, for example, undertake a glass bottom boat trip and a fishing trip on the same day. As a consequence, there may be two EMC payments in relation to that visitor on the same day.

Discussion

In principle, this problem should not occur since it appears that the intention of the Act is that a guest or visitor is counted only once per day for any number of standard tourist activities

with a given permit holder. The problem therefore lies with record keeping by the resort and there is no obvious way in which the Authority can assist. No action is recommended.

3.3.17 Sea planes (TOR 6.1.3)

Description

Where a sea plane lands in the Marine Park and not directly on an island, the EMC is charged, regardless of the purpose of the trip. Sea plane operators object to paying EMC on what they consider to be transfer passengers.

Discussion

Sea plane passengers who are carried for the purpose of undertaking an activity on an island or the coast, and not primarily for sight seeing, conform to the concept of transfer passengers and so they should be excluded when operators calculate their EMC payments. The legislation will need to be changed to achieve this.

Recommendation 17

Sea plane operators should be exempt from paying EMC on passengers whose purpose is not for sight seeing but merely to undertake activities on an island or the coast.

3.3.18 Transfers in the case of shallow water (TOR 6.1.4)

Description

The Marine Park extends to the Mean Low Water Mark (MLWM) on the coast and the non-Commonwealth islands. For passengers to be considered transfer passengers they must be dropped off above the MLWM. In some cases, because of the shallowness of water, a water taxi drops the passengers off below the MLWM and transfers them to a smaller vessel which takes them to the resort. EMC must be paid on these transfer passengers.

Discussion

Passengers in this case conform to the concept of transfer passengers and should not be included in the calculation of the EMC payment by the operator. The legislation will need to be changed to reflect this.

Recommendation 18

Passengers who undertake a trip as part of a transfer should not be included in the calculation of the EMC payable by the operator providing the transport.

3.3.19 Payment of flat charges when not operating (TOR 6.1.11)

Description

Quarterly payments of flat charges are required for beach hire, pontoons, marina construction, mariculture facilities and vending operations regardless of whether they are operating. Some operators have complained about this on the grounds that it is inequitable, because other operators do not pay when not operating.

Discussion

In principle, EMC charges take two forms: a charge on direct beneficiaries of management of the Marine Park (EMC(1)); and a charge imposed because the activity causes monitoring costs to be incurred, or damage, or threat of damage to the Marine Park, or because it causes crowding (EMC(2)). These flat charges cannot be justified in terms of EMC(1) but may be in terms of EMC(2), although in many cases the threat of damage is covered by bonds and in other ways. Investigation is needed to determine whether the above equipment and activities can be justified in terms of EMC(2). If they cannot then they are a charge on resource rent and if there is no intention to introduce other charges on resource rents then they should be abandoned.

Recommendation 19

If charges on beach hire, pontoons, marina construction, mariculture facilities and vending operations when not operating do not reflect monitoring costs or damage or threat of damage to the environment then they are a type of resource rent charge and should be abandoned unless it is intended to introduce broadly based resource rent charges.

3.3.20 Monitoring of operations to confirm log book and charging return entries Description

To date, there has been no systematic monitoring of tourism operations to confirm the data provided by operators in the log books and charging returns. The Authority intended to allow one year of operation before this should begin. It now intends to begin systematic monitoring in conjunction with QDEH. This will have resource implications for QDEH and the view has been expressed by QDEH staff that unless additional funds can be obtained, some other intended activities by QDEH will have to be delayed or abandoned in order that the monitoring be undertaken.

Recommendation 20

The Authority, in conjunction with QDEH, should begin, as soon as practical, a systematic program of monitoring tourism operations to confirm the validity of log book and charging return entries.

3.4 Staffing resource implications of the recommendations and suggestions

3.4.1 Introduction

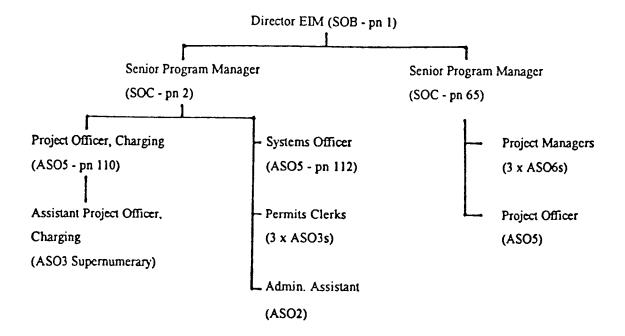
The terms of reference for this review sought "comment on the appropriateness of the current level of staffing, grades and duties and if necessary make recommendations regarding future staffing levels in consultation with GBRMPA administration staff."

Early in the review it was agreed that a full staffing review of levels and classifications should not be undertaken. Instead, the review would concentrate on staffing resource implications of recommendations and suggestions arising from the review. In order to comment on these resource implications, some assessment of current staffing resources was required. This assessment and the conclusions drawn from it on possible additional workloads arising from this review are given below.

3.4.2 Marine Park Charging Team

The Marine Park Charging Team, which administers the EMC, is located in the Authority's Environmental Impact Management Section. The Section structure is shown in figure 3.4.2.

Figure 3.4.2 Structure of the Environmental Impact Management (EIM) Section incorporating the Environmental Management Charge Team



Definitions: SOB - Senior Officer Grade B; SOC - Senior Officer Grade C; ASO - Administrative Services Officer, pn - position number.

The Team has two full-time positions and one part-time position as follows:

Project Officer, Charging (ASO5) - full-time;

Assistant Project Officer, Charging (ASO3) - full-time (supernumerary); and Data Entry Clerk (ASO1) - part-time (supernumerary).

The Project Officer (ASO5) reports to the Senior Program Manager (SOC) in charge of the Permits Subsection "with regard to: feedback on progress and difficulties with charging; policy implications; and assistance in dealing with problematic operators."

Duties undertaken by the Team include:

checking all returns for accuracy;

following up late payments;

facilitating suspension and revocation of permits where necessary;

arranging refunds or notices of underpayment;

maintaining computer data base records;

entering location and use data into database;

reviewing logbooks;

developing procedures manuals;

answering telephone inquiries;

updating mailing lists;

recommending on policy and procedures regarding the EMC;

preparing newsletters; and

general administration (for example, managing budget, preparing general correspondence, filing and reporting to management).

Specific duties of the ASO5 and ASO3 positions are given in Appendix G. These two positions are funded by the EMC. The ASO1 part-time position is funded by the CRC because of the importance placed on prompt access to data, by the CRC, which are collected as part of the EMC process. There is no duty statement for the ASO1 position but the duties are clearly reflected in the position title.

The process used for the EMC administration is shown in charts prepared by the Authority in Appendix G. Table 3.4.2 provides statistics on workloads involved in these processes for the five quarters to July - September 1994.

Table 3.4.2 EMC administration statistics

five quarters to Sep - Dec 1994

Quarter	No. of operators	No. & % of operators who lodged returns by due date	No. & % of operators sent 1st late letters	No. & % of operators sent 2nd late letters	No. & % of permit holders suspended	No. & % of permit holders revoked	No. of revoked permit holders reconsidered and reinstated
Jul - Sep '93	423	287 (68%)	136 (32%)	56 (13%)	21 (5%)	11 (3%)	2
Oct - Dec '93	430	293 (68%)	137 (32%)	76 (18%)	23 (5%)	3 (1%)	1
Jan - Mar '94	451	340 (75%)	111 (25%)	63 (14%)	22 (5%)	3 (1%)	1
Apr - Jun '94	482	377 (78%)	105 (22%)	65 (13%)	14 (3%)	2 (1%)	0
Jul - Sep '94	507	378 (75%)	129 (25%)	73 (14%)	34 (7%)	Note 2	Note 2

Sources:

Great Barrier Reef Marine Park Authority, Summary of the 1993-94 Environmental

Management Charge and Authority staff.

Notes:

- 1. Percentages are rounded. Where 0% would result, 1% is used.
- Ten of the 34 permit holders suspended for the Jul Sep 1994 quarter have submitted returns and had permits reinstated. Revocation action is not yet due.

This table reveals the following points regarding workloads over the five quarters:

the number of commercial operators has increased substantially;

the percentage of operators who lodged returns by the due date improved after the first two quarters to the extent that the number of first late letters sent in later quarters is lower than the first and second quarters;

the percentage of second late letters has remained relatively static except for the second quarter; and

the number of permit holders who have had permits suspended or revoked, for failing to fulfil obligations regarding the EMC, showed a declining trend as a percentage of operators and in numbers until the fifth quarter when the percentage of suspensions increased. Revocation action for the fifth quarter is not yet due.

The number of returns and the volume of data entry have increased over the five quarters due to the increase in operators. Follow up work on late returns has remained basically static in terms of volume.

These results reflect an improvement, by operators, in meeting EMC obligations and reflect credit on the staff in the Marine Park Charging Team. Such credit is reinforced by the favourable Internal Auditor's report at Appendix E and the fact that the administrative processes and systems associated with the EMC have been changed promptly as problems were identified during the first year of operations. The main changes have been:

regular improvements to database to increase operational efficiency; improvements to logbooks to overcome format problems; inclusion of reef names and identification numbers in logbooks to assist users; and the introduction of reply paid envelopes to assist operators.

Apart from these administrative changes that were an inevitable result of implementing the EMC, which was a new concept for Authority staff and tourism operators, Team staff spent a substantial amount of time dealing with complaints by some dissatisfied operators and explaining to some operators their EMC obligations and how to deal with administrative requirements.

3.4.3 Staffing resource implications arising from this review

If recommendations and suggestions in the review are adopted, there will be consequential workload implications such as those identified in table 3.4.3.

Table 3.4.3
Possible workload implications from review recommendations

Item	Recommendations and suggestions	Possible workload implications
1	Consider introducing	Legislation changes. Redesign of log books. Increased number of log book entries. Potentially increased number of errors in EMC returns. Develop education program. Some increased requirements for monitoring and enforcement.
2	Introduce an annual charge on private boat owners. (Rec 3)	Legislation changes. Possible consultation (not essential as with the introduction of EMC where industry cooperation was necessary). Develop administrative arrangements with collection agency. Develop education program. Develop monitoring and enforcement arrangements. Modify financial systems if necessary (expected changes and workload minimal).
	the EMC(2) type.	Policy considerations. Consultation. Legislation changes. Develop administrative arrangements for collection of charges. Develop education program. Develop monitoring and enforcement arrangements.
	Introduce a	Workload implications will depend on the system introduced by the Authority and arrangements developed with QDEH.

Responsibility for most tasks associated with items 1 and 3 in table 3.4.3 should ideally rest with the Marine Park Charging Team which has recent and relevant experience. In the establishment phase, staffing resources required will depend on how the Authority decides to implement the recommendations and thus, which of the possible workload implications would apply. A comparison of tasks to be done with those previously undertaken when establishing the EMC would assist in determining staffing resources needed. Given that much of the

work establishing and refining the EMC administrative system, and helping operators in using the system in the first year has been completed, account should be taken of any excess capacity, if it exists, together with the level of experience that has been built up. Once new systems are introduced, ongoing tasks such as processing returns should not be substantial in terms of volume or complexity. Resource implications for monitoring and enforcement associated with items 1 and 3 are dealt with generally in a wider discussion of item 4 below.

The main task associated with the collection of revenue from annual charges on private boat owners (item 2) in the Marine Park Charging Team should be to establish administrative arrangements with, for example, the Queensland Government if agreement can be reached that the charge be collected as part of boat registration or with Australia Post (see section 3.3.3). This would be a once-off task. The level of staffing resources required in the establishment phase would depend on how the Authority wishes to develop the arrangements (for example, the level of consultation). Ongoing implications would depend on the administrative arrangements developed. There is scope for these arrangements to be relatively simple. If agreement is reached with the Queensland Government to incorporate the charge with boat registrations, agreement to leave enforcement as part of registration checks would minimise resource implications for the Authority. If Australia Post was to become the collection agency, enforcement responsibility could rest with the Authority or, by agreement, with QDEH. With regard to financial arrangements, consideration could be given to paying the collecting agent a commission and to having moneys paid to the Authority at intervals (say quarterly) designed to minimise workloads in the finance area of the Authority associated with this revenue collection.

Item 4 refers to the recommendation that a systematic program of monitoring tourism operations to confirm the validity of log book and charging returns be developed in conjunction with QDEH. This recommendation will have workload and possibly staffing resource implications in both the development and ongoing phases. The scale of these implications will depend on the nature of the monitoring program adopted, arrangements agreed with QDEH and the impact on existing staffing resources of work associated with items 1, 2 and 3. In developing the program, the Authority should examine acceptable resource saving techniques, such as statistical sampling, to provide important indicators on

the validity of EMC returns, and to provide a deterrent value along the lines used by the Australian Taxation Office in its audits of self assessed taxation returns.

3.5 Overview

3.5.1 The positives

The process of conducting a review and making recommendations and suggestions for change necessarily implies criticism of the existing system and its good points can easily be overlooked. The following discussion is an attempt to provide balance by outlining some of these good points associated with the EMC.

(a) Industry consultation

Prior the introduction of the EMC, the Authority conducted extensive consultation with industry in an attempt to explain the nature of the system and to gain its cooperation. Few organisations introducing such a charge do this.

(b) EMC revenue

EMC revenue is providing funds for research, education and information about the Marine Park which is assisting in its management. Experience overseas shows that careful management of the area will be necessary to protect it from damage, so that it can continue to provide benefits to direct users, the nation and the world. EMC revenue is also making a significant contribution to the Authority's total revenue and it is being paid by direct beneficiaries of the management of the Marine Park. Because the Marine Park confers benefits on the community generally, as well as the direct users, a significant part of the Authority's revenue should continue to be provided from general taxation sources.

(c) Information

The EMC system is providing a useful data base on the use of the Marine Park by people accessing it through tourism operators. This is crucial to management and it is being used. The value of this data will increase over time.

(d) Administration of the EMC

While there have been complaints from some operators about log books and charging returns it should be noted that:

Many operators have remarked on how helpful the EMC staff have been.

Liaison with operators has been increased.

A quarterly newsletter is produced which helps to inform operators what the funds are being used for.

Log books have been changed in response to comments from operators and they are now as simple and as easy to use as possible.

The costs of administering the system for the Authority is only about 10% of EMC revenue.

The Authority has conducted internal reviews of the system and been prepared to subject it to this independent review.

(e) No charging system is completely equitable or costless to administer. Indeed, often equity can only be achieved with increased costs and the Authority must decide on the trade-off between the two.

3.5.2 Overall level of the EMC

This review was not requested to consider the overall level of EMC charges and no recommendations on this matter have been made, though recommendations have been made in relation to changes in the structure of the charges.

The bulk of EMC charges are of the EMC(1) type. That is, they are intended simply to assist the financing of the Authority's management costs. While it is clear that users and the public at large should both contribute to management costs, there is no simple formula for determining what the shares should be (see section 1.2).

Some comments, however, can be made about the consequences of significant increases in the overall level of the EMC. They are:

Any substantial increase in the real level of the EMC will increase both the administrative and monitoring costs, because of increased incentives for evasion.

It will also increase the importance of existing inequities. Thus it is important to address these before or at the same time as considering increases in the real value of EMC charges.

EMC charges of the EMC(1) type are economically inefficient, as explained in section 2.4.4, and increases in the rate will increase the dead-weight-loss.

Many operators and industry representatives believe that the Authority made a commitment that the EMC would be increased only at the rate of the Brisbane CPI, and to change this procedure so soon after the understanding was reached would cause loss of faith in the negotiation process by operators and possibly loss of their cooperation. This would create problems for the Authority as the existing EMC system relies heavily on the cooperation of operators.

APPENDIX A: INSTITUTIONS AND INDIVIDUALS CONSULTED

1709115311011	•	Type of contact	Location
GBRMPA	J. C	Meetings phone	Townsville
GBRMPA Consultative Committee	Committee	Meeting	Brisbane
	K. Nielson	Meetings	Townsville
	T. Briggs	Meetings	Townsville
All 482 tourism operators paying EMC		Mail	
Whitsunday Island Water Sports Pty Ltd	R. & G. Harvey	Meeting	Hamilton Is.
Cape Hillsborough Holiday Resort	R. Sach	Meeting	Cape Hillsborough
Tropicat Sailing	S. Chittick	Phone	
Quicksilver Connections	M. Burgess	Meeting	Port Douglas
ANCA	S. Szabo and A.Opitis	Phone, mail	
State and Territory wildlife services: NSW, Vic, Tas, NT.	Various	Phone	
DEST	G. McGlynn	Mail	
Australian Taxation Office	S. West	Phone	
Burns Philp Pty Ltd	K. Barrett	Phone	
Bluewater Aviation	R. Videtta	Phone	
Townsville Aero Club	P. Meehan	Phone	
Wilhelmsen Shipping Line Pty Ltd	L. Penterghas	Phone	
Hamilton Island Enterprises Pty Ltd	E. Sheffield	Phone	
QDEH, Townsville	J. Day, J.Lees B.Barnett	Meeting, phone	Townsville
QDEH, Brisbane	D. Perkins	Phone	
ODEH, Rockhampton	D. Crossman	Phone	
Helijet	J. Pratt	Phone	
Raging Thunder Pty Ltd	D. Cole	Phone	
Long Island Palm Bay Resort	J. Burton	Phone	
Beaufort Shipping Pty Ltd	D. Reid	Phone	

APPENDIX B: PERMIT APPLICATION ASSESSMENT FEES

Activity in the Marine Park requiring permission	Initial fee	Continuation fee
1. Activity that requires use of an aircraft or vessel having a maximum passenger capacity of:	a l	
a) less than 25 passengers	\$ 410	\$ 410
b) 25 to 50 passengers	\$ 580	\$ 470
c) 51 to 100 passengers	\$ 1,060	\$ 640
d) 101 to 150 passengers	\$ 1,760	\$ 940
e) more than 150 passengers	\$ 2,940	\$ 1,170
2 a) Activity that requires the use of a facility or structure in the Marine Park.	\$ 1,290	\$ 1,290
b) Activity that requires a public notice to be given under regulation 9, 13AD or 15B.	\$ 4,710	\$ 1,760
c) Activity in relation to which a public environment report is to be prepared.	\$ 23,580	\$ 23,580
d) Continuation of an activity in relation to which a public environment report was prepared in relation to that continuation where another such report is not to be prepared in relation to that continuation.		\$ 2,940
e) Activity in relation to which an environmental impact statement is to be prepared.	\$ 63,680	\$ 63,680
Continuation of an activity in relation to which an environmental statement was prepared - where another such statement is not prepared in relation to that continuation.		\$ 2,940
3. Activity not referred to in item 1 or 2 above.	\$ 410	\$ 410

Source: Great Barrier Reef Marine Park Regulations, Commonwealth of Australia, 1993 Schedule 4.

APPENDIX C: SURVEY FORM

ENVIRONMENTAL MANAGEMENT CHARGE SURVEY

The Great Barrier Reef Marine Park Authority (GBRMPA) intends to commission an independent review of the environmental management charge (EMC). This will begin in September and will be completed by 31 December 1994. Your views on the operation of the EMC are very important to this process. The GBRMPA appreciates any comment you may wish to make and this form is intended to assist you to do so. Your comments will be treated as confidential although a summary of overall responses will be provided in the report of the review. Please return this form, along with other comments, to Ms Tania Adami, Project Officer, GBRMPA, PO Box 1379, Townsville, Qld 4810.

ermit holder:				
ontact netson"				
hone number: This information will allow us to contact you about your comments. If you wish to remain this information will allow us to contact you about your comments. If you wish to remain this information will allow us to contact you about your views are still be important to us.)				
Your business: On what aspects of y lights)	your business do you pay the EMC? (day tours, beach hire, scenic			
How have you dealt w	with the charge? (Please tick) mers by increasing the price for your services educed costs or profit etween the various services you provide, please explain:			
How have you dealt w Passed it on to custon Absorbed it through r If the answer varies be	he increasing the price for your services			
Passed it on to custom Absorbed it through r If the answer varies be What percentage of y Has the EMC affecte	educed costs or profitetween the various services you provide, please explain:			

Your EMC administrative tasks:	
How burdensome are the administrative aspects of the EMC (keeping log books, submi	ttina
the state of the s	tting
(Please tick)	
Extremely	
Very	
Not vay	
Not at all	
What are the worst aspects of your tasks, and why?	
What are the good aspects of these tasks, and why?	
What improvements do you suggest in the recording of information for and payment of EMC?	the
Method of charging for EMC: If the total EMC payments made by you over a year were the same would you prefer (pleatick) the existing system one based on capacity (of boats, accommodation,) another Please explain	se
Comments on other matters: Please comment on any other matter concerning you about the EMC.	

APPENDIX D: REVIEW OF LOG BOOKS AND CHARGING RETURNS

1. Introduction

1.1 Background

The ABARE (1991, p. 5) study recommended:

That improved data collection systems be developed to monitor the commercial and private recreational use of the marine park. The accounting system of the Authority must also be upgraded to allow expenditures to be more readily assigned by management activity and reef site.

In developing this recommendation, the study commented:

A mandatory log book system to record the number of visitors per day at various sites could be introduced (1991, p. 5)

ABARE (1991, p. 58) saw the recording of such information as useful for conservation management and supporting a cost recovery program.

The Authority introduced daily log books after operators rejected a proposal to have a charge based on a percentage of carrying capacity, arguing that actual number of passengers carried was a more equitable basis for charging. A beneficial spin-off of the new log books for operators has been that data returns, previously required on an annual basis, were abolished as the basic information in those returns has been incorporated in log books and less data are now required.

The legislative requirements for record-keeping and returns are contained in section 39P of the Great Barrier Reef Marine Park Act 1975 and amplified in the Great Barrier Reef

Marine Park Regulations. Regulation 52 requires "holders of a permission" (referred to as permittees or permit holders in log books and charging returns) record information to ascertain the EMC payable in a log book or in a form approved by the GBRMPA. Regulation 53 requires holders to provide returns in the month following quarters ending at the end of March, June, September and December.

In 1994-95, depending on the nature of activity, the Authority requires operators to provide information in one or more of the following log books of forms:

Log Book for Standard Tourist Operations

Log Book for Standard Tourist Operations (with transfers)

Log Book for Non-Standard Operations

Log Book for Bareboat Operators

Log Book for Bareboat Hirers

Form - Beach Hire Operations

Form - Commonwealth Island Resorts

Form - Point Source Sewage Discharge

Form - Mariculture Operations - Charging Return

1.2 Reported user problems

Operators were asked in the review mail out survey "What are the worst aspects of the [EMC] administration?" The majority of operators who responded to the survey (55.7%) stated keeping log books. Some of the other 9% who responded to this question similarly rated recording of reef visits and the method of payment as the worst aspect. Adverse comments were also received on the need to make nil activity entries on days when no activities are undertaken.

An internal review of the EMC log book return data base (Appendix 2 of the terms of reference) found a high error rate and that the format of the log books and nature of the data base made data entry extremely time consuming and expensive. Many changes to the log books and the data base have been undertaken since that review.

1.3 Review

This review covers term of reference 6.3 except for the matter of penalties which is dealt with in the main body of the report.

The log books and charging returns are reviewed here, in light of the reported problems, to assess their complexity and how onerous they are for operators to use in terms of design, the information required and instructions for use.

The log books and charging returns reviewed are those printed for use in 1994-95.

2. Operators (referred to as permittees and permit holders in log books and charging returns)

Comments resulting from this review on each form of record are given under appropriate headings below.

2.1 Log book for standard tourist operations and log book for standard tourist operations (with transfers)

The instructions for completing these log books and the charging returns are the same. These instructions, sample pages of the books without transfers and with transfers, and sample charging returns are given at Attachment 1 to this appendix.

This review considers the instructions in both log books are clear and succinct.

Both log books have the month and date for each day pre-printed on pages to assist users. Required information is common to both log books and is considered basic - permit number, vessel name and registration number, daily total crew, daily total passengers, daily total free of charge passengers (FOC) passengers and reef identification number OR latitude and longitude OR reef/bay name (reef numbers are given at the back of each book).

The log book with provision for transfers has an additional section requiring daily information on transfer passengers - details where these passengers departed from and transferred to, and the total number involved. Provision is made for totals on the last page for each month. This review considers that the format of the pages is clear, the information required is basic and is easy to enter.

A problem for operators may exist in identifying transfers which are not counted for the purpose of EMC calculations. While the log book and charging returns are considered straight forward, an operator might find the task of identifying transfers and their participation (or non-participation) in activities provided by the operator, for the purpose of counting exemptions, difficult if the operator does not have adequate systems for such identification. If such instances exist, they are not problems with the log books or charging returns but would indicate the need for these operators to develop an appropriate system. A ticketing system covering each of the operators' activities would provide a simple solution in many cases.

Quarterly charging returns comprise a cover page and four parts.

The cover page requires details of permit holders - name, address, contact person, phone and fax numbers, and trading name. It also contains a declaration, that the information provided in the charging return and enclosed log book pages is true and correct, to be signed by the permittee, or an authorised person in the case of a company.

Part 1, which is for standard tourist operations requires permit holder number/s, total number of visitors for the quarter, total number of exempt FOC passengers for the quarter and a simple calculation (total visitors minus exemptions multiplied by \$1.00).

Part 2 is for non-standard tourist operations and requires permit holder number/s and total number of visitors minus FOCs multiplied by the charge for the three categories - semi submersibles/glass bottom boats, sightseeing flights and underwater observatories. The inclusion of this part in a log books for standard tourist operators could cause confusion for some operators. The intention was to allow only one charging return to be submitted with all

log books and to help operators draw information together from more than one log book.

Although there is the possibility of some confusion, there appears to have been no problems for either operators or the Authority.

Part 3 has two sections - A for pontoons and B for floating hotels. Both sections require permit holder number/s and simple calculations for flat or scaled charges. Section B has provision for adding the amounts payable for pontoons and floating hotels where both apply to operators.

Part 4 contains three boxes to enter amounts payable from Parts 1, 2 and 3 and a short completion checklist.

Apart from the confusion that could be caused by the inclusion of Part 2 in the charging returns, it is considered to be a clear form requiring basic information. Providing operators have reasonable systems to identify transfers, use of these returns should not be very time consuming.

2.2 Log book for non-standard tourist operations

The instructions for completing these log books, a sample page and a sample charging return are given at Attachment 2 to this appendix.

The instructions in the log book are considered to be clear and succinct.

Each log book page covers one month and has the month and date for each day pre-printed for easy use. Operators are required to record permit number, type of operation, total number of passengers per day and total number of FOC passengers per day. The format of the log book is considered simple to use and the information required is considered easy to obtain and enter.

Quarterly charging returns have a section for the operator to provide permit holder details and has three other parts.

Part 1 is for standard tourist operations and requires permit number/s, total number of visitors for the quarter, total number of exempt FOC passengers for the quarter and a simple calculation (total visitors minus exemptions multiplied by \$1.00) to give the total amount payable. The inclusion of this section in a log book for non-standard tourist operations could cause confusion.

Part 2 is for non-standard operations and requires permit number/s, total number of visitors minus FOCs by the prescribed charge for the three categories semi submersibles/glass bottom boats, sightseeing flights and underwater observatories.

Part 3 provides boxes to aggregate Parts 1 and 2 to calculate the total amount payable.

The permittee, or authorised person in the case of a company, is required to declare that all the information given is true and correct.

Apart from the confusion possibly caused by the inclusion of Part 1 in the charging returns, the charging return is considered to be a clear and concise form, requiring basic information, and should not be time consuming to complete.

2.3 Log book for bare boat operators and log book for bareboat hirers

The instructions for completing the operators log book, a sample page and a sample charging return are given at Attachment 3 to this appendix. Instructions and a sample page for the hirers log book are at Attachment 4.

The instructions in both log books are clear and succinct although a small amendment to the instructions in the operators' log might help clarify a point of possible confusion in the operators' charging returns that is addressed hereunder.

Both log books have the month and date for each page pre-printed to assist users. The operators' log book has one page for each month and requires the operator to record permit number, total number of vessels in use per day, total number of passengers per day and the total number of FOC passengers per day. Log books for bareboat hirers also have the month

and date for each day pre-printed and hirers are required to record the vessel name, the number of passengers on board, morning afternoon (including lunch) and night anchorage locations, and boxes to tick to indicate which of five listed activities were undertaken each day. The page format of both log books is considered clear and the information required is basic. It is considered neither should take much time to complete.

The bareboat hirer logbook does not require quarterly returns. Information required in the quarterly charging returns in the operators' log boat is clear - permit holder details (including permit number/s), total number of visitors for the quarter, total number of exempt FOC passengers and a simple calculation (total visitors minus exemptions multiplied by \$1.00) to give the total amount payable.

The declaration in the charging return could cause confusion. The permit holder, or authorised person in the case of a company, is required to declare:

"that the information given above is true and correct"; and
"that the information recorded in the official log book pages enclosed with this return is
true and correct".

The first declaration is clear and should not cause any problems for those signing the declaration. The second is regarded likewise if the enclosures are from the operators' log book only. However, this declaration is controversial if the enclosures include the hirers' log book entries and could be a matter of confusion and concern for operators. It would not seem possible for operators to give such a declaration for all entries made by hirers.

This review recommends that this matter be clarified by amendments to the instructions and wording of the charging returns in the operators' log books as appropriate. Legal responsibility for the accuracy of bareboat hirer log books should not rest with operators but they should be responsible for encouraging hirers to complete their log books properly.

2.4 Form - beach hire operations

This one page form, at Attachment 5 to this appendix, requires basic information about the operator - permit holder, ACN (if applicable), trading name, address, phone and fax numbers, location where beach hire activities are undertaken and Marine Park permit number. If the permittee operates at more than one location, under separate permits, separate returns are required for each permit.

Information required on the nature of operators operations is basic - operators are required to tick a box identifying the type of operation and to record the appropriate quarterly charge in amount due boxes. The permittee, or authorised person in the case of a company, is required to declare that all the information given is true and correct.

This form is simple to use and would take little time to complete.

2.5 Form - Commonwealth island resorts

This one page form at Attachment 6 to this appendix is also considered simple to complete. It requires basic information about the permit holder and contains three boxes to complete - one for the total number of visitors to the island including FOC visitors, the total number of exempt FOC visitors and the third for the total amount due (Box 1 minus Box 2 multiplied by \$1.00). The permit holder, or authorised person in the case of a company, is required to declare that all the information given is true and correct.

2.6 Form - point source sewage discharge

This one page form at Attachment 7 to this appendix, requires basic information about the permit holder. Information is required about the volume of effluent generated and discharged in the quarter and a break down of a sample analysis in the quarter supported by attached effluent analyses from a National Association of Testing Authorities (NATA) registered laboratory.

Given the effluent analyses are provided, the transcription of the analyses data (9 numeric entries) on to the form is considered a simple task. Similarly, the charge calculation resulting in the entry of two monetary amounts is not considered difficult or time consuming.

The permit holder, or authorised person in the case of a company, is required to declare that all the information given is true and correct. The person signing the declaration would have the usual legal protection implied by relying on data provided by a registered laboratory.

2.7 Form - mariculture operations - charging return

This one page form at Attachment 8 to this appendix requires basic information about the permit holder, the area of the farming facility and the choice of one of three boxes to ascertain a fixed charge based on that area. The permittee, or authorised person in the case of a company, is required to declare that all the information is true and correct.

This form is simple to complete and would not be very time consuming.

3. Conclusion

Generally, this review considers that the log books and charging returns are well designed with clear instructions for use by operators. They are easy to use and are not unduly time consuming to maintain. This conclusion would be backed up by a comparison of some records that must be maintained for other purposes (for example, taxation).

Log books for bareboat operators should be reworded to clarify what is being certified in the declaration as outlined in section 2.3 of this appendix. Further, consideration might be given to the superfluous parts in charging returns for standard tourist operations (Part 1) and non-standard tourist operations (Part 2).

Given the simplicity of the log books and the charging returns, concerns regarding the requirement to record nil activities would appear to be more about nuisance value rather than the task being onerous or time consuming.

If operators are having problems with completing log books and charging returns, it is likely that their problems relate to identifying the categories of operations and exemptions rather

than the design and basic recording requirements of these records. It is expected that such problems would not last long as operators became familiar with the categories applicable to them.

From comments in the review survey forms received, it appears that some operators may confuse returns required by other agencies with those used in the EMC return system. For example, the Queensland Fisheries Management Authority return for chartered fishing operators (reproduced as Attachment 9 to this appendix) requires a lot more detail than EMC returns, including estimated catch numbers by species and weight. Operators' criticisms of the EMC returns may also reflect some resentment at the volume of reporting to various government agencies even though the EMC returns are well designed and not onerous to complete.

1994/95 LOG BOOK FOR STANDARD TOURIST OPERATIONS

INTRODUCTION

As a commercial operator in the Great Barrier Reef Marine Park, you have a vested interest in looking after the Reel and its resources. The site/s you visit on the Great Barrier Reel need to be managed correctly to ensure their long term conservation and to preserve the qualities visitors are eager to see. The information you are supplying in these log books goes directly to Marine Park management staff.

The Great Barrier Reef Marine Park Authority realises it takes your valuable time to fill in these log books and we thank you for your efforts.

INSTRUCTIONS FOR USE OF THIS LOG BOOK

- 1. Before filling in the log book pages, place the cardboard cover under the green page to prevent
- 2. The green page is designed to remain in the log book as your permanent record. The white pages are perforated along the left side so they can be torn out, placed in the prepaid envelopes supplied to you and mailed to the Authority with the charging return at the end of each quarter.
- 3. Using a pen (not a pencil), print details clearly and concisely on the log book pages.
- 4. Free Of Charge (POC) passengers must be included in the total passengers carried and listed separately in the FOC column (see below for a list of persons who qualify as FOC).
- 5. To determine totals at the end of the month, subtract the total number of FOC passengers from the total number of passengers carried. At the end of each quarter, transfer this amount to the Charging Return provided as part of this log book.
- 6. A Charging Return is provided in this book at the end of each quarter. This return must be submitted even if you did not operate for all or any of that quarter.
- 7. For your assistance in completing the location field, we have included a copy of Reel Names and Reef Id numbers in the Great Barrier Reef Marine Park at the back of this book. These are listed in Section order le: Far Northern, Cairns, Central and Mackay/Capricom Sections. If the reel you are visiting is not listed, indicate Latitude and Longitude.

NOTE: WHEN YOU DO NOT OPERATE OR WHEN YOU OPERATE OUTSIDE THE GREAT BARRIER REEF MARINE PARK, INDICATE 'NIL ACTIVITIES'.

Penalties Penalties that apply in relation to the requirements to keep log books and submit data are as follows:

- a) up to \$1000 for not keeping an up-to-date log book(s)
- up to \$4000 for not supplying the charging return and log book pages (and other information required by the Authority) by the due date.
- Up to \$8000 for providing false or misleading information or false charging returns.

The charging return and log book pages must be returned to GBRMPA by the due date even if you did not operate in the quarter.

Your permit may be suspended if the charging return and log book pages have not been submitted and the Environmental Management Charge not paid in full within the calender month after the end of the quarter to which the charge applies.

Your permit may be revoked if at the end of 60 days after the permit has been suspended, the charging return and log book pages have not been submitted and the Environmental Management Charge has not been paid in full.

Note: A Late Payment Penalty of 20% p.z applies if the charging return and log book pages have not been received by the due date.

EXEMPTIONS

Commercial operators will be exempt from paying the charge when the passenger is:

1. Carried as transfer passengers.

A transfer passenger is defined as a person who:

- (a) is transported into the Marine Park and disembarked at a place contiguous to the Marine Park by a person who holds a permission for a tourist program; and
- (b) is transported by the most direct reasonable route; and
- (c) does not:
 - (i) during the course of travel in the Marine Park engage in any tourist activity provided by the permission holder; and
 - (ii) at the disembarkation destination, for at least 2 hours after disembarkation engage in any tourist activity provided by the permission holder under that permission;

OR

- 2. Carried Free Of Charge and is from one of the following categories:
 - (a) Children less than 4 years old.
 - (b) People who visit the Marine Park as beneficiaries of registered charities (any operator claiming exemptions must have and maintain a written statement from the charity organisation certifying that the group was carried FOC, the numbers in the group and the date of travel).
 - (c) School-supervised school groups (any operator claiming exemptions must have and maintain a written statement signed by the accompanying teacher*, which identifies the school and certifies that the group was carried free of charge, the numbers in the group and the date of travel).
 *Teachers must include their State Board of Teacher Education Registration Number.
 - (d) People engaged in the tourism industry who are:
 - (i) on trade familiarisation exercises (any operator claiming exemptions must have and maintain a written record of the name of the representative and the company or business they represented and the date of travel); or
 - (ii) accompanying visitors to the Marine Park as a driver, guide, or instructor (any operator claiming exemptions must have and maintain a written record of the name of the individual and the businesses, companies or partnerships they represented and the date of travel).
- (e) People engaged in the newspaper, broadcasting or other information media who are visiting the Marine Park for the purpose of reporting on a matter in the Marine Park (any operator claiming exemptions must have and maintain a written record of the name of the media representative and the organisation for which they work and the date of travel).

ce Of G in Date	Charge Passe	RTANT:				
		ssenger Colum	counted n	If you visit the same site every day, only list the sites on the first day of each month		
	Total Crew	Total Pax*	Total FOC*	Reef Id Number OR Latitude & Longitude OR Reef/Bay Name		
1						
2						
3						
4						
5						
6						
7						
8						
9						

Total A

*Pax = Passenger *POC = Free Of Charge

1994/95 LOG BOOK FOR STANDARD TOURIST OPERATIONS (with transfers)

		RTANT:	:	/ Vessel Nam	ie & Vessel Registrat	ion Number	•••••••
tota	ist be co il Passei	ge Passe unted it nger Col	n the lumn	If you visit the same site every day, only list the sites on the first day of each month	If your operation in	RANSFER PAX® volves passenger transf arge, indicate total num	ers, which a aber each da
Date	1	Total	FOC		Depart From	Transfer To	Total Number Pax* Transfere each day
1							
2							
3							
4							
5						***************************************	
6		••••••	•••••				
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9						••••••	

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To	tal A			*Pax = Passenger *FOC = Free Of Charge		Total A	

ENVIRONMENTAL MANAGEMENT CHARGE



Geat Barrier Reef Marine Park Authority

1 JULY - 30 SEPTEMBER 1994 CHARGING RETURN

	 	 F.B.1	in a later than the second of	and incommittee recorded in this return is based on the information kept in the CERDAPA log books.	
. a seed 1 fe shifter	_			the return is	

2 Payments are due by 31 October 1984. The following penalties apply in relation to late payments or failure to supply the required information.

1) There is a penalty of up to \$4000 for not supplying the charging and log book returns by

ii) There is a late payment penalty of 20% PA M the charge is not paid by the due date.
 iii) Tremit may be surpended and later revoked M returns are not lodged and payments not made by 31 Charler 1994.

YOU MUST ATTACH THE RELEVANT PACES FROM THE LOG BOOK TO THIS RETURN

where the permit holder is a company I certify that I am duly authorised by the company to algn this return on its behalf. I declare that the information recorded in the official log book pages enclosed with this return is true (where the permittee is a company, this declaration must be signed in the name of the company by a prison who is authorized by the company, and that persons' name and position must also be Where the Permit has been granted to more than one person, this return must be signed by all plant Name (Print) Signeture Fisse read and sign the declaration after filling in your return. I declare that the information given is true and correct; and DICLARATION Name (Print).... Signature

Transfer this amount to Part 4

NOTE: The Great Barrier Reef Marine Park Act Imposes heavy penalites for

giving false or misleading information.

Postbon

Position

PART 1

is bottom bosts, Sightweing	First 1 re countried for can b day	Pr. 2	tract Box 2 from Box 1.	fils and Underwater berg the participants do	102 1 51 00 . S	RO.1 n.51.00 - 5 Box 5 RO.1 n.51.00 - 5 Box 6 Box 6 add (igures in Bears 4.5 and 4.	
er than Semi-aubmerables, Class both	Age of visions/clients in your tourist program for the quarter Age of visions/clients in your tourist program for the quarter September 1994 (total should include Transfer passengers and Parge passengers). If your program gives for more than one day, the passengers should be counted for cach day.	= 3	standard tourist operations, sub	Micen boots, Sightweeting Al se sethvilkes listed beliaw (w witter in the Marine Fack). 5 to Fart 3.	Free of Charge		
STANDARD TOURLST OPERATIONS This part applies to tourist facilities. (ii)	Persit Number of visions/clients in your tourist program for the quarter Total number of visions/clients in your tourist program for the quarter 1994 (total should include Transfer passengers and 1 July - 30 September 1994 (total should include Transfer passengers and price Of Charge passengers). NOTE: If your program gives for more than one day, the passengers of the trip.	EXEMPTIONS Total Number of Franker passements for the quarter Total Number of Transfer passemetrs for the quarter TOTAL EXEMPTIONS FOR THE QUARTER (add 1 + 11)	To establish the total amount payable for Total visitors/clients Exemptions DA 17T 2	NON-STANDARD TOURIST OPERATIONS NON-STANDARD TOURIST OPERATIONS The part applies to Servit submersibles, Clean bodiom bod Observations where participants endy undertake activities Observations with the Permitter in the net undertake any other activities with the Permitter in the Note: If you do not operate any of the above, go to Part 3.	1	Glass Bottom Boats Sightseeting Flights	To establish the total amount Fry

PART 3 Note: If you do not operate a pontoon or floating hotel, go to Part & SECTION A Pontoons

Do you have a permit in experate a penemon?	£,	Ž	
If ne, go to Section B.]]	
If yes, indicate permit number/s is		0	
If you hold a permit for the operation of a ponition, a flat charge OR a charge equivalent to the total number of visiting to the ponition per quarter (whichever is greater) will apply.	o flat change O con per quant	A a charge er (whichever is	
PLAT CHARGE			
	Ž	No. of pentions operated	Amt Due
n flat burface area, a flat charge of \$45.00 per quarter ppires.	#5.00 m	M5.00 x	

				***************************************	Francon 2
\$ 00 00\$		į	0 Fr 0 Fr	1\$ a	15 H
in Nat Tquantr			שבו מוחסט		
1km 40 sq m r of \$40.00 pr					Frankram 2 .
If the proxima is greater than 40 sq m in flat writer ares, a flat charge of \$40,00 per quanter appliers.	ŏ	SCALED CHARGE	Indicate total visitors to	fundion/s per querter. Fontoin I	

NOTE: If you operate more than one prontom within the quarter, you abould inclease the total number of violens in each prontom for each quarter.

To establish the total amount payable, mire flat charge

OR

The fotal scaled charge, whichever is greater.

Box 8

SECTION B Floating Hotel A feating bad to sever has his assessmentation for various, to supplied with reason by solver result as assessed, and to assessed for a feating the day to such results as the feating to the feating feating the feating feating feating the feating feating the feating feating the feating feating the feating fe	Do you have a perrol to operate a Plusting hasel? Yre No	If you indicate permit number (s	8 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	Total visitors Free Of R per quarter Charge	Indicate total visitors accommoduled in	Enter flat charge OR the scaled charge, whichever is greater. TOTAL \$	NOTE: To establish the total amount payable for tourist facilities, brander the figures from the following boxes,	Section A Provious Boars \$	Transfer this amount to Part 4	
SECTION B Floating Hotel Aftergrad between the temperature for a state of the temperature for	Do you have a permit to oy Unt. go to Part 4	If yes, Indicate permit number /a Where you operate a floating bost to the total number of visitors to t	Pat Charge @ \$140 0	ð	Indicate total visitors accommodated is the floating board per night per quarter	Enter flat charge OR the scale	NOTE: To establish the total transfer the figures from the	Section A Section B	Transfer this	

PART 4

To establish the botal amount payable for your operation, transfer the amounts from boses 3, 7 & 10 to the spaces below and add tagether.

			S
Total Box 3	Total Box 7	Total Box 10	
PART 1 - Standard Tourist Operations	PART 2 - Non-Standard Tourist Operations	PART 3 - Tourist Pacilines	TOTAL AMOUNT PAYABLE FOR YOUR OFERATIONS

Checklist: Have you completed the following?

1. Ensure the declaration has been signed.

2. Ensure the pages from your log book are attached to this neturn.

3. Attach cheque.

PLEASE MAKE CHEQUES PAYABLE TO: Greet Barter Reef Marine Park Authority
PO Not 1379
TOWNSVILLE QLD 4810

Great Barrier Reef Marine Park Authority 1994/95 LOG BOOK FOR NON-STANDARD TOURIST OPERATIONS

INTRODUCTION

As a commercial operator in the Great Barrier Reef Marine Park, you have a vested interest in looking after the Reef and its resources. The site/s you visit on the Great Barrier Reef need to be managed correctly to ensure their long term conservation and to preserve the qualities visitors are eager to see. The information you are supplying in these log books goes directly to Marine Park management staff.

The Great Barrier Reef Marine Park Authority realises it takes your valuable time to fill in these log books and we thank you for your efforts.

INSTRUCTIONS FOR USE OF THIS LOG BOOK

- Before filling in the log book pages, place the cardboard cover under the green page to prevent write through.
- The green page is designed to remain in the log book as your permanent record. The white pages are perforated along the left side so they can be torn out, placed in the prepaid envelopes supplied to you and mailed to the Authority with the charging return at the end of each quarter.
- Using a pen (not a pencil), print details clearly and concisely on the log book pages.
- Free Of Charge (FOC) passengers must be included in the total passengers carried and listed separately in the FOC column (see below for a list of persons who qualify as FOC).
- To determine totals at the end of the month, subtract the total number of FOC passengers from the total number of passengers carried. At the end of each quarter, transfer this amount to the Charging Return provided as part of this log book.
- 6. A Charging Return is provided in this book at the end of each quarter. This return must be submitted even if you did not operate for all or any of that quarter.

NOTE: When you do not operate OR when you operate outside the
Great Barrier Reef Marine Park, indicate 'Nil Activities'.

Penalties

Penalties that apply in relation to the requirements to keep log books and submit data are as follows:

- a) up to \$1000 for not keeping an up-to-date log book(s)
- b) up to \$4000 for not supplying the charging return and log book pages (and other information required by the Authority) by the due date.
- Up to \$8000 for providing false or misleading information or false charging returns.

The charging return and log book pages must be returned to GBRMPA by the due date even if you did not operate in the quarter.

EXEMPTIONS

Commercial operators will be exempt from paying the charge when the passenger is Carried Free Of Charge (FOC) and is from one of the following categories:

- (a) Children less than 4 years old.
- (b) People who visit the Marine Park as beneficiaries of registered charities (any operator claiming exemptions must have and maintain a written statement from the charity organisation certifying that the group was carried POC, the numbers in the group and the date of travel).
- (c) School-supervised school groups (any operator claiming exemptions must have and maintain a written statement signed by the accompanying teacher*, which identifies the school and certifies that the group was carried free of charge, the numbers in the group and the date of travel). *Teachers must include their State Board of Teacher Education Registration Number.
- (d) People engaged in the tourism industry who are:
 - (i) on trade familiarisation exercises (any operator claiming exemptions must have and maintain a written record of the name of the representative and the company or business they represented and the date of travel); or
 - (ii) accompanying visitors to the Marine Park as a driver, guide, or instructor (any operator claiming exemptions must have and maintain a written record of the name of the individual and the businesses, companies or partnerships they represented and the date of travel).
- (e) People engaged in the newspaper, broadcasting or other information media who are visiting the Marine Park for the purpose of reporting on a matter in the Marine Park (any operator claiming exemptions must have and maintain a written record of the name of the media representative and the organisation for which they work and the date of travel).

Great Barrier Reef Marine Park Authority 1994/95 LOG BOOK FOR

NON-STANDARD TOURIST OPERATIONS

	G/
Type of Operation	

MONTH: NLY		
Date	Total No Pax* Per Day	Total No of FOC* Per Day
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29	_ 1	
30		
31		
тот	AL	gers 'FOC: Free of Charge

* Pac Passengers *FOC: Free of Charge

ENVIRONMENTAL MANAGEMENT CHARGE



CHARGING RETURN

1 JULY - 30 SEPTEMBER 1994

Permit Holder
Address
Contact Person
Phone Fax
Trading Name
STANDARD TOURIST OPERATIONS
Permit Number/s i) ii)
Total number of visitors/clients in your tourist program for the quarter 1 July - 30 September 1994.
Box 1 NOTE: If your program goes for more than one day, the passengers should be counted for each day of the trip.
EXEMPTIONS Total Number of exempt FOC passengers for the quarter.
Box 2 To establish the total amount payable for standard tourist operations, subtract Box 2 from Box 1. Total visitors Exemptions /clients
x \$1.00 = \$
Box 1 Box 2 Transfer this amount to Part 3 ➤ Box 3
PART 2
NON-STANDARD TOURIST OPERATIONS This part applies to Semi-submersibles, Glass bottom boats, Sightsecing flights and Underwater Observatories where participants only undertake activities listed below (where the participants do not undertake any other activities with the Permittee in the Marine Park).
Semi-submersibles/Glass Bottom Boats Total visitors FOC /clients
x 0.2 x \$1.00 = \$
Transfer this amount to Part 3 - Box 4
Sightseeing Flights Total visitors FOC /clients
x 0.2 x \$1.00 = \$
Transfer this amount to Part 3 -> Box 5 Underwater Observatories Total visitors POC
/clients
Transfer this amount to Part $3 \rightarrow Box 6$

PART 3 PART 1 - Standard Tourist Operations PART 2 - Non-standard Tourist Operations	(Box 3) (Box 4) (Box 5) (Box 6)	
TOTAL AMOUNT PAYABLE		5
Due Date and Late Penalties 1. The information recorded in this return is bas information kept in the GBRMPA log books. 2. Payments are due by 31 October 1994. The fein relation to late payments or failure to supply in There is a penalty of up to \$4000 for not suand log book pages by the due date. ii) There is a late payment penalty of 20% Protection of the due date. iii) Permit may be suspended and later revolution book pages are not lodged and payment 31 October 1994.	ollowing per dy the requir applying the A if the char ked if a char conts not ma	e charging return ge is not paid by ging return and de by
YOU MUST ATTACH THE RELEVA LOG BOOK TO THIS	NT PAGE RETURN	S FROM THE
DECLARATION Please read and sign the declaration after Where the Permit has been granted to more the signed by all joint permittees. Where the permittee is a company, this declar name of the company by a person who is autituat persons' name and position must also be I declare that the information given above is I declare that the information recorded in the with this return is true and correct, and Where the permit holder is a company I certificate that the permit holder is a certificate that the permit holder is a certificate that the pe	ation must I horised by the appended. true and con- official log I	be signed in the the company, and rect; and book pages endosed
the company to sign this return on its occur.		
Signature		**** * * * * ** *** * * * * * * * * * *
Position		
Signature		/
Name (block letters)	· · · · · · · · · · · · · · · · · · ·	, o
Position		***************************************
Check List: Have you completed the follow 1. Ensure the declaration has been signed 2. Ensure the pages from your log book. 3. Attach cheque.	1	to this return.
PLEASE MAKE CHEQUES PAYABLE Great Barrier Reef Marine Part PO Box 1379 TOWNSVILLE QLD 4810	ETO: k Authorit	у



INTRODUCTION

As a commercial operator in the Great Barrier Reef Marine Park, you have a vested interest in looking after the Reef and its resources. The site/s you visit on the Great Barrier Reef need to be managed correctly to ensure their long term conservation and to preserve the qualities visitors are eager to see. The information you are supplying in these log books goes directly to Marine Park management staff.

The Great Barrier Reef Marine Park Authority realises it takes your valuable time to fill in these log books and we thank you for your efforts.

INSTRUCTIONS FOR USE OF THIS LOG BOOK

- Before filling in the log book pages, place the cardboard cover under the green page to prevent write through.
- 2. The green page is designed to remain in the log book as your permanent record. The white pages are perforated along the left side so they can be torn out, placed in the prepaid envelopes supplied to you and mailed to the Authority with the charging return at the end of each quarter.
- 3. Using a pen (not a pencil), print details clearly and concisely on the log book pages.
- Free Of Charge (FOC) passengers must be included in the total passengers carried and listed separately in the FOC column (see below for a list of persons who qualify as FOC).
- 5. To determine totals at the end of the month, subtract the total number of POC passengers from the total number of passengers carried. At the end of each quarter, transfer this amount to the Charging Return provided as part of this log book.
- A Charging Return is provided in this book at the end of each quarter. This return must be submitted even if you did not operate for all or any of that quarter.

NOTE: When you do not operate OR when you operate outside the

Great Barrier Reef Marine Park, indicate 'Nil Activities'.

Penalties

Penalties that apply in relation to the requirements to keep log books and submit data are as follows:

- a) up to \$1000 for not keeping an up-to-date log book(s)
- b) up to \$4000 for not supplying the charging return and log book pages (and other information required by the Authority) by the due date.
- c) Up to \$8000 for providing false or misleading information or false charging returns.

The charging return and log book pages must be returned to GBRMPA by the due date even if you did not operate in the quarter.

Your permit may be suspended if the charging return and log book pages have not been submitted and the Environmental Management Charge not paid in full within the calender month after the end of the quarter to which the charge applies.

Your permit may be revoked if at the end of 60 days after the permit has been suspended, the charging return and log book pages have not been submitted and the Environmental Management Charge has not been paid in full.

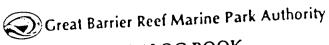
Note: A Late Payment Penalty of 20% p.a applies if the charging return and log book pages have not been received by the due date.

EXEMPTIONS

Commercial operators will be exempt from paying the charge when the passenger is Carried Free Of Charge (FOC) and is from one of the following categories:

- (a) Children less than 4 years old.
- (b) People who visit the Marine Park as beneficiaries of registered charities (any operator claiming exemptions must have and maintain a written statement from the charity organisation certifying that the group was carried FOC, the numbers in the group and the date of travel).
- (c) School-supervised school groups (any operator claiming exemptions must have and maintain a written statement signed by the accompanying teacher, which identifies the school and certifies that the group was carried free of charge, the numbers in the group and the date of travel). *Teachers must include their State Board of Teacher Education Registration Number.

- (d) People engaged in the tourism industry who are:
 - (i) on trade familiarisation exercises (any operator claiming exemptions must have and maintain a written record of the name of the representative and the company or business they represented and the date of travel); or
 - (ii) accompanying visitors to the Marine Park as a driver, guide, or instructor (any operator claiming exemptions must have and maintain a written record of the name of the individual and the businesses, companies or partnerships they represented and the date of travel).
- (e) People engaged in the newspaper, broadcasting or other information media who are visiting the Marine Park for the purpose of reporting on a matter in the Marine Park (any operator claiming exemptions must have and maintain a written record of the name of the media representative and the organisation for which they work and the date of travel).



1994/95 LOG BOOK FOR BAREBOAT OPERATORS

Permit Number G9...../...

MONTH	Total No of vessels in use per Day	Total No of Pax*per Day	Total No of FOC* per Day
Date			
1	<u> </u>		
2			1
3		-	
4	ļ		
5			-
6	ļ		-
7	ļ		1
8	 		1
9			-
10	_		
11			
12		-	
13			
14			
15			
16			1
17			
18			
19			
20			
21			
22			
23			
24		_	-
25			
26			
27			
28			
29			
30			
31			
	Total passenger of for the r	nonth	

*Pax = Passenger * FOC = Free Of Charge



CHARGING RETURN

1 JULY - 30 SEPTEMBER 1994

Permit Holder	•••••••••••			************
Address	********************			
	***************************************	***************************************		
Contact Person	***************************************			
Phone	••••••	Fax	• • • • • • • • • • • • • • • • • • • •	
Trading Name				
STANDARD TOU	RIST OPERA	TIONS		
Permit Number/s	i)	***********	ii)	******************
Total number of vis program for the qu				Box 1
NOTE: If your pr should be counted i			n one day,	, the passengers
EXEMPTIONS Total Number of ex for the quarter.	empt POC pas	sengers		Box 2
To establish the tot operations, subtrac			andard to	urist
	=		x \$1.00 =	5
Total visitors	Exemptions			Total
Box 1	Box 2			Amount Duc

Due Date and Late Penalities

- The information recorded in this return is based on the information kept in the GBRMPA log books.
- Payments are due by 31 October 1994. The following penalties
 apply inrelation to late payments or failure to supply the
 required information.
 - i) There is a penalty of up to \$4000 for not supplying the charging return and log book pages by the due date.
 - ii) There is a late payment penalty of 20% PA if the charge is not paid by the due date.
 - iii) Permit may be suspended and later revoked if a charging return and log book pages are not lodged and payments not made by 31 October 1994.

YOU MUST ATTACH THE RELEVANT PAGES FROM THE LOG BOOK TO THIS RETURN

DECLARATION

Please read and sign the declaration after filling in your return. Where the Permit has been granted to more than one person, this return must be signed by all joint permittees.

Where the permittee is a company, this declaration must be signed in the name of the company by a person who is authorised by the company, and that persons' name and position must also be appended.

I declare that the information given above is true and correct; and I declare that the information recorded in the official log book pages enclosed with this return is true and correct; and

Where the permit holder is a company I certify that I am duly authorised by the company to sign this return on its behalf.

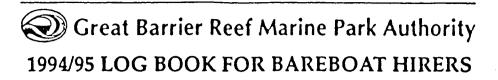
Signature	/
Name (block letters)	. 04 04 000 7 1 204 20 42 220 04 00 00 00 00 00
Position	
Signature	/
Name (block letters)	0 00 0 0 000 0 0 000 00 pages on \$00 mg 60 0
Position	

Check List Have you completed the following?

- 1. Ensure the declaration has been signed.
- Ensure the pages from your log book are attached to this return.
- 3. Attach cheque.

PLEASE MAKE CHEQUES PAYABLE TO:

Great Barrier Reef Marine Park Authority PO Box 1379 TOWNSVILLE QLD 4810



INTRODUCTION

The owner of this vessel is required to submit data to the Great Barrier Reef Marine Park Authority as a condition of their permit to operate in the Marine Park. Part of this data relates to the activities undertaken by the bareboat hirer in the Great Barrier Reef Marine Park. As the hirer you are asked to record all activities you undertake whilst in the Marine Park. The information you supply will help ensure the continued management and conservation of this World Heritage Area.

GENERAL

- 1. Record all information on a daily basis
- 2. Print details in a clear and concise manner on the log sheets provided.
- 3. Keep the log book in a safe and secure area.
- 4. Return the log book to the vessel owner/hirer on your return to port.

 Thankyou for your assistance.

EXAMPLE ONLY

MONTH:	4	ANCHORAGES Name your moming, afternoon (including lunch) and night anchorages	Indicate ACTIVITIES undertaken during the day by ticking the relevant boxes
1		AM DAYDREAM IS PM NARA INLET NICHT NARA INLET	Snorkelling Fishing Fishleeding Shell Collecting
2		AM LANGFORD SPIT PM BUTTERFLY BAY STONEHAVEN NICHT: ANCHORAGE	Diving Snorkelling Fishing Fishfeeding Shell Collecting
1,	1	ALG.	In Notice



(a) Great Barrier Reef Marine Park Authority

1994/95 LOG BOOK FOR BAREBOAT HIRERS

VESSEL NAME..... Indicate ACTIVITIES ANCHORAGES Number of MONTH undertaken during the Name your morning, passengers JULY afternoon (including lunch) day by ticking the on board relevant boxes and night anchorages Date Diving Snorkelling ☐ Fishing Fishfeeding ☐ Shell Collecting Diving 2 Snorkelling ☐ Fishing ☐ Fishfeeding ☐ Shell Collecting NICHT:.... Diving 3 Snorkelling ☐ Fishing PM:.... ☐ Fishfeeding ☐ Shell Collecting NIGHT:.... Diving Snorkelling ☐ Fishing PM:.... Fishfeeding ☐ Shell Collecting NIGHT:..... Diving Snorkelling Fishing PM:.... ☐ Fishleeding ☐ Shell Collecting Diving AM:.... Snorkelling Fishing ☐ Fishfeeding Shell Collecting Diving Snorkelling ☐ Fishing Fishfeeding ---☐ Shell Collecting NIGHT:.... Diving 8 Snorkelling ☐ Fishing ☐ Fishfeeding ☐ Shell Collecting NIGHT:...

FR	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
	Great Barrier Reef Marine Park Authority
	ENVIRONMENTAL MANAGEMENT CHARGE

BEA	CH HIRE OPE	RATIONS	1 July - 30 September 1994
			ACN (if applicable)
_			
			Phone Fax

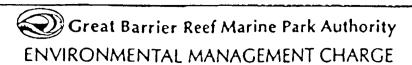
Note: If you operate	at more than one location, un	der a separate permit, j	please submit a separate return for each permit.
TICK EQUIP	MENT ALLOWED TO	BE HIRED UND	DER YOUR PERMIT
			Amount per quarter Amount due
Motori			\$25.00
La		-\	\$62.00
□ · 00	er (eg: waterskiing, parasailin	S)	\$02.00
•	otorised		
	than 6 pieces of equipment		\$12.00
- 6α	more pieces of equipment		\$25.00
Diagh	y Hire more than 6 dinghies are use	d indicate total numb	er)
	than 6 dinghies		\$50.00
• 6α	more dingbies	,	x \$12.00 per dinghy =
	•		
		indicate number of dinghies here	TOTAL AMOUNT DUE 5
ECLARATION	1		
lease read and sign There the permit as	the declaration after filling as been granted to more tha	in your return. n one person, this ret	urn must be signed by all joint permittees.
Abere the permitted by the company, and	e is a company, this declaration that persons' name and position	on must be signed in the on must also be append	ne name of the company by a person who is authorise led.
declare that all the A'here the permit b	information given above is troolder is a company, I certify	that I am duly sutbori	ised by the company to sign this return on its behalf.
ignature		<i>JJ.</i> 9	Signature
iame (block kuers).		1	Name (block letters)
osition		P	Position
MPORTANT: The	Great Barrier Reef Marine	Park Act Imposes be	avy penalties for giving fabe or mbleading
PLEASE MAKE CHE	QUES PAYABLE TO:	GREAT BARRIES PO BOX 1379 TOWNSVILLE QU	R REEF MARINE PARK AUTHORITY D 4810

Picase retals a copy for your records

COMMONWEALTH ISLAND RESORTS 1 JULY - 30 SEPTEMBER 1994

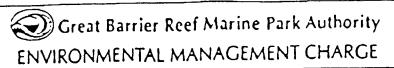
LADY ELLIOT ISLAND RESORT

Total number of visitors of for period 1 July - 30 Sep	io island Hember 1994				Box1
NOTE: Total number of	visitors includes Free	Of Cha	rge (FOC) v	risito rs	
Exemptions					
Total Number of exempt if for the quarter (refer to pg Management Charge info	e. 3 of the Environment	al			Box 2
CHARGE PAYABLE					
Subtract Box 2 from Bo	x 1	x	\$1.00	=	\$
Total visitors (Box 1)	Exemptions (Box 2)				Total amount due
DECLARATION Please read and sign the decla Where the permit has been gr	anied to more than one pe	CHOU! TOTAL			
by the company, and that person	of, princ and bottoon mast a	mo oc ayı	in the name of cended.	the comp	pany by a person who is authorised
I declare that all the information Where the permit holder is a	n given above is true and co company, I cartily that I as	n duly aut	borised by the	coarban	y to sign this return on its behalf.
Signature	JJ.	. 	Signature .		
Name (block letters)			Name (blo	ck laters)
Pocition					
IMPORTANT: The Great Ba	erier Reef Marine Park A	d Impose	s beavy penal	ue for g	living false or misleading
PLEASE MAKE CHEQUES PA	PO	BOX 1379		ARINE F	PARK AUTHORITY



POINT SOURCE SEWAGE DISCHARGE 1 July - 30 September 1994

, and the concepts			т у и у зо вер	
Permit Holder	na handa hina di 2546 din 2000 anno anno anno anno anno anno anno a		ACN (if applicable)	
Trading Name	d dit to to the se se mays, son , as these, so dis stable to transide to		n e lan da dans abben lar anasa da ga da ga da ga ga ga ga ga ga ga a ga a b	
Address				
1 p part all sector black action and have been appeared to the control of the con				
Marine Parks Permit Number				
CATEGORIES				
1. Tertiary (nutrient reducing) treats				
2. Secondary treatment with < 5%	•			
3. Secondary treatment with > 5% v	olume discharge in the Mari	ine Park		
T Total volume of effluent				ML
V Total volume of efficient	discharged through the marin	ne outfall i	n that quarter	NOL
Sample Analysis	Date samples collected wit	hin the qu	arter	
N Total nitrogen in quarter!				mg/libr
P Total phosphorus in quaa-	rerly sample			mg/litre
Suspended Solids				mg/lite
5 day Biochemical Oxyge	to Demand			mg/lion
Escherichia coli count				
Dissoved oxygen	····			mg/lion
pH value				
Copies of the effluent analyses from a must be attached to this return.	National Association of Te	sting Auti	bodiles (ATAN) egithod	d laboratory
ENVIRONMENTAL MANAGEMEN	T CRARGE PAYABLE			
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For Calegory 3	Plat Fee		\$ 200.00	
	Scaled Fee @ (1.9) 1 V 1 ((N+P)	8	
	TOTAL AMOUNT DUE		1	
Notes: The results for Suspended Solids, 5 days of the Marine Park Fee.	Biochemical Oxygen Demand	, dissolved	oxygen, pH and E. coll are so	x required in the calculation
DECLARATION				
Please read and sign the declaration aft Where the permit has been granted to s	er filling in your return. nore than one person, this	retura mi	ust be signed by all joint p	ernittees.
Where the permittee is a company, this company, and that persons hame and posi-	declaration must be algued in tion must also be appended.	n the name	e of the company by a perso	on who is authorised by the
declare that all the information given ab Where the permit holder is a company,	ove is true and correct; and I certify that I am duly auth	orised by	the company to sign this re	ouro co iu behalf.
ignature	JJ	Signatur	re	, ,
Same (block letters)	···		block letters)	
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MPORTANT: The Great Barrier Reef Ma		enaldes fo	or giving take or misleadias	Information
LEASE MAKE CHEQUES PAYABLE TO	CREAT BARRI		MARINE PARK AUTHORI	
	PO BOX 1379 TOWNSVILLE (ZLD 4810		
	Picase retain a copy for you	t records	· · · · · · · · · · · · · · · · · · ·	



MARICULTURE OPERATIONS - CHARGING RETURN 1 JULY - 30 SEPTEMBER 1994

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farine Pa	arks Permit Number	***************		***************************************		
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	Area (in hectares) 0	f farming facil	ities		На	
HARG:	E PAYABLE					
Tick a	applicable category					
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	10 Hectares or less					\$250.00
				\$100 for every	_	
	More than 10 Ha and less than 60 Ha	\$250 for the first 10 Ha	PLUS	EXTRA 10 Ha (or part of 10 Ha)) — >	- [3]
	Example: Total Area Area over	= 35 Ha 10 Ha = 25 Ha				
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						\$750.00
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	e permittee is a company, this	declaration must	he slened in	the name of the cou	npany by a pe	son who is authorised
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APPENDIX E: INTERNAL AUDITOR'S REPORT

TOWNSMILLE

C.E. SMITH & CO, TOWNSVILLE

CHARTERED ACCOUNTANTS

A.W. MO-ZES LLE . . . E E QUE

INCORPORATING:

BUTLER RAINS MENZIES & CO.

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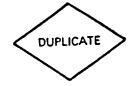
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TOWERS HART DAVIES TARDIANI

OFFICES:

122 WALER STEET, TOWNSYILE, 4810. P.O. BOX 941, TOWNSYILE, 4810. TELETHORE, (077) 72 2008 FACSIMILE: (077) 21 1262

81 GAL STREET, CHARTERS TOWERS, 4820. P.O. BOX 177, CHARTERS TOWERS, 4820. TREETHORIE: (807) 87 3833 PACSAMALE: (807) 87 3019



23 November, 1994

Our reference: 9CSTS GBRMPA3/3 @

The Finance Director Great Barrier Reef Marine Park Authority PO Box 1379 TOWNSVILLE Q. 4810

Dear Sir,

GREAT BARRIER REEF MARINE PARK AUTHORITY

In accordance with our internal audit assignment with the Authority, we have completed a review of the documentary processes associated with the Environmental Management Charge.

The assignment was conducted principally through enquiry of staff of the Authority engaged on tasks in relation to the Environmental Management Charge, and observation of the documentary flows associated therewith. It also involved discussions with Professor Owen Stanley of James Cook University of North Queensland, and the review of statistical reports provided by him.

IMPACT ON OPERATORS

The review of the Environmental Management Charge documentation has shown that, essentially, this system functions well, and that the processes adopted adequately provide for the capture of relevant information, efficient processing to the scientific data base, and adequately comply with financial and internal control requirements.

The tourism operators survey conducted by Professor Owen Stanley indicates that 46.1% of the respondents found the administration tasks to be very to extremely burdensome. Further enquiry by Professor Stanley has indicated that the majority of respondents derive from smaller operators and these operators are subject to some confusion as to which records are related to the Environmental Management Charge and which as to other statutory requirements. In particular we note that several smaller operators lodge the QFMA form with the Authority rather than the Department of Fisheries, which supports the premise of operator confusion as to reporting requirements.

From our review, we do not believe that it is possible to further simplify the operator's record keeping, and lodgement requirements on operators.

A number of objections to the Environmental Management Charge appear to be related to a perception that no benefit is derived by the operators from it. In an effort to overcome this, the Authority has instituted a newsletter to operators to provide them with some feedback. This newsletter, however, gives the appearance of being a general Authority document rather than specific to the Environmental Management Charge, and we have discussed possible changes to the format with officers of the Authority.

Further, we note that each operator was provided with a copy of the CRC Reef Research Centre brochure, "The Reef and Us", produced by the Co-Operative Research Centre based on James Cook University, which is funded from the Environmental Management Charge. It would be possible to provide operators with additional copies of that brochure for distribution through their operations, as a tangible and immediate benefit derived from payment of the Environmental Management Charge. As more significant benefits from the research activities funded by the charge will take some years to eventuate, the provision of such "promotional" materials may assist in reconciling operators to the Environmental Management Charge.

Again, we have discussed certain aspects of improving feedback to the operators with staff of the Authority (Mr. Clive Cooke and Ms. Kellie Whiting).

FLOW OF DOCUMENTATION THROUGH THE AUTHORITY

As noted previously, the documentary flows are adequate for the capture of scientific data, and provide compliance with internal controls over the receipt of monies, and there is no evidence of unnecessary double handling of documentation. However, there are some areas of concern in relation to the amount of manual input leading to possible transcription errors, and the absence of any properly instituted control over debts due to the Authority.

These concerns relate to the manner in which the payment advice which is used to facilitate the correct receipting of monies is created and utilised. We recommend enhancement of this document in the following ways:

- The document is already linked to a word processing database which provides details in relation to the permit and the holder of the permit.
- The amount of the payment received is input prior to printing. We recommend that details as per the return be input at the same time. The form should continue to provide the facility for later verification and adjustment.
- The coding information should be standardised so that amounts only need to be entered according to classification of the charge or indicate receipt of prior underpayment and penalties.
- The layout of the form needs to be altered to allow for calculation of further charges or refunds due, prior to submission of the document to the Finance Section. This would eliminate coding errors that may occur due to incorrect codes being transcribed by staff, and also facilitates a single handling of the form by the Finance Section to capture all financially related data. We recommend that this capture be directly into the financial accounts system through the computerised Debtors module which would automatically produce computer receipts.

- 5. From this "automatic" coding, a debtors balance would be more readily available, and this would enable a fortnightly/monthly report to be produced. This will allow the institution of financial control over debtors, and allows the implementation of full accrual accounting for the 30th June, 1995 year end.
- 6. The processing form requires some redesign to incorporate the above changes. We recommend the layout be designed to present data in the order that it is to be keyed into the computer. A suggested format is included as an attachment to this letter.

The above matters were discussed with Mr John Barrett on 7 November, 1994.

In accordance with your directions, copies of this report have been forwarded to Mr. Clive Cooke, Ms. Kellie Whiting and Professor Owen Stanley.

Should you wish to discuss the above matters further, or if you have any queries, please do not hesitate to contact either the writer or Ms. Tina Shaw of our office.

Yours faithfully,

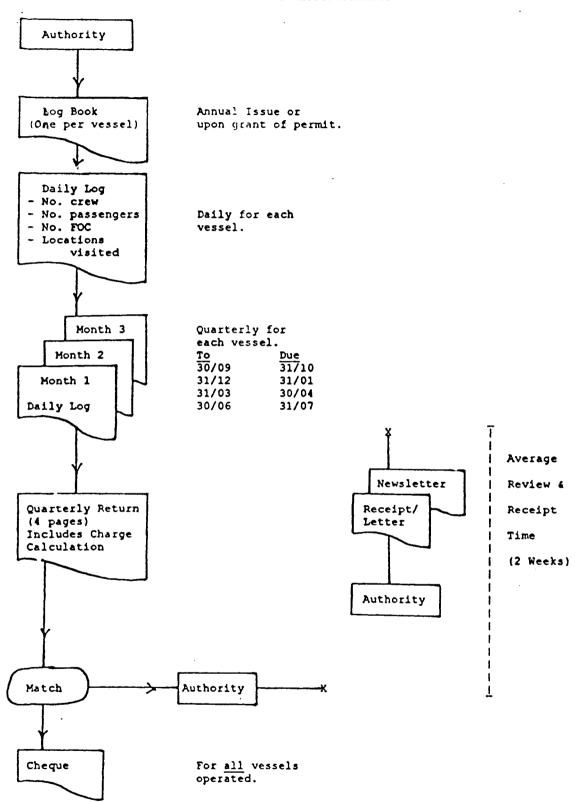
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Partner,

C.E. SMITH & CO, TOWNSVILLE.

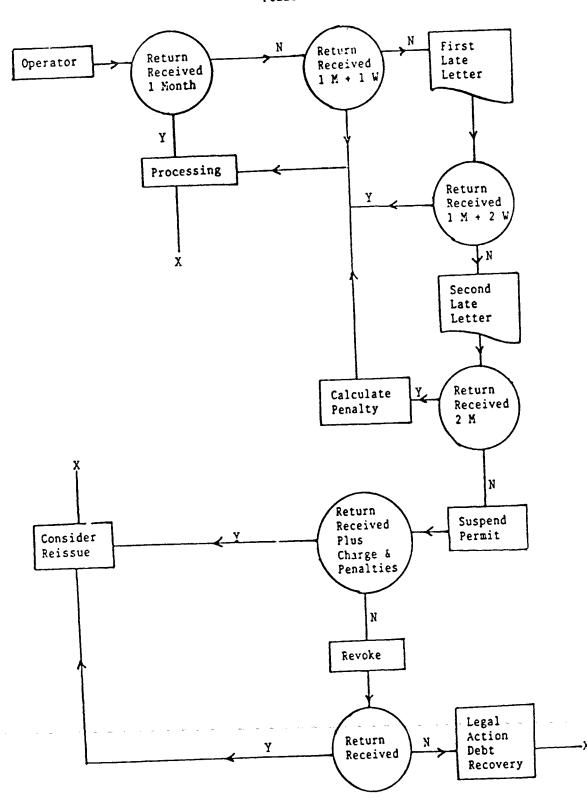
Encl.

c.c. Ms. Kellie Whiting
Mr. Clive Cooke
Professor Oven Stanley



AUTHORITY TO CPERATOR

FOLLOW UP



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APPENDIX F: SUSPENSIONS AND REVOCATIONS

Part 5A of the GBRMPA Regulations requires payment of the EMC to be made within one calendar month of the end of the quarter in which the EMC were collected. Typical wording of the regulations for various EMC charges is:

The charge is payable by the holder of the permission in April, July, October and January in respect of the exercise of the permission in the preceding quarter.

Operators who make late payments are liable for a late penalty payment pursuant to Section 39G (1) of the GBRMPA Act which states:

If any charge payable by a person remains unpaid after the time when it became due for payment, the person is liable to pay, by way of a penalty, an amount ("late payment penalty") calculated at the rate of 20% per annum on the amount unpaid, computed from that time.

Sections 39G (2) and 39G (3) of the Act provide the Authority with discretion in applying this late penalty:

- (2) The Authority may, on behalf of the Commonwealth, remit the whole or part of an amount of late payment penalty.
- (3) The Authority's powers under subsection (2) may be exercised:
- (a) on the Authority's own initiative; or
- (b) at the request of a person who is liable to pay late penalty.

Therefore, while there is no provision for granting extensions for late payments, provision exists to remit the whole or part of the late payment penalty should the Authority be satisfied such action is justified. Delegations to remit late payment penalties currently exist within the Authority.

Apart from incurring a liability for a financial penalty for late payment of EMC, operators face suspension or revocation of their permits based on how late the payments are. Regulation 20B states:

A permission that is a chargeable permission may be suspended by the Authority if:

(a) at the end of the calendar month in which a charge is payable, it has not been wholly paid.

Regulation 21 (1C) states:

A permission that is a chargeable permission may be revoked by the Authority if, at the end of 60 days after the permission has been suspended under regulation 20B, the permission holder has not taken the action that would enable the suspension to be withdrawn by the Authority.

With regard to the effect of not having provision in the current legislation to grant extensions for late payments of EMC on the suspension or revocation of permits, the word "may" in Regulations 20B and 21 (1C) seems to allow sufficient discretion for the Authority in considering its decisions on suspending or revoking permits. Delegations to suspend or revoke permits currently exist within the Authority.

APPENDIX G: STAFF DUTIES AND EMC ADMINISTRATIVE PROCESSES

Marine Park Charging Team

Project Officer, Charging (ASO5)

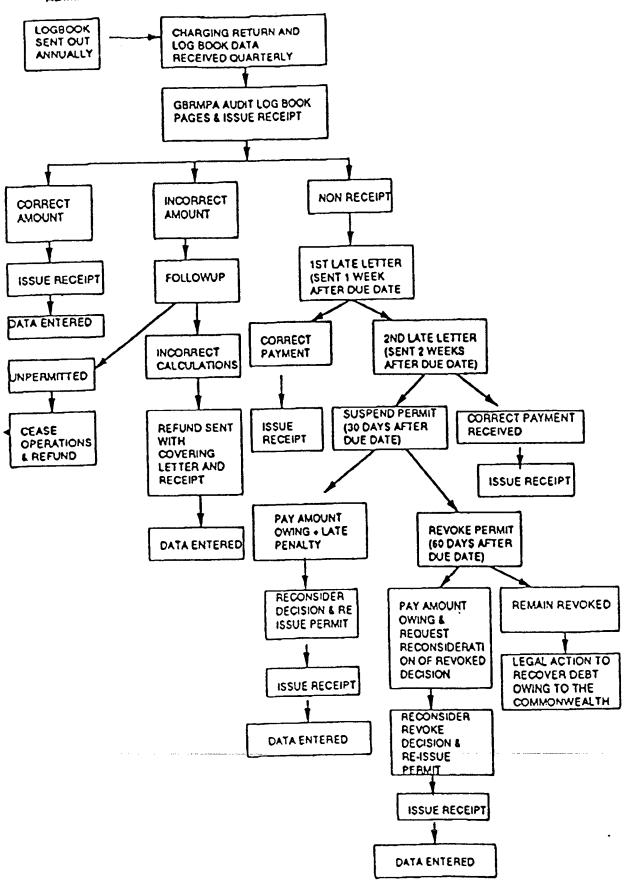
- Coordinate the implementation of environmental management charges (EMC) and other cost recovery mechanisms for commercial users of the Great Barrier Reef Marine Park.
- 2. Prepare tender specifications, contracts and other documentation relating to the management of permits, site allocation and cost recovery mechanisms.
- 3. Assist with the management of EMC receipts including:
- ensure understanding and compliance with legislative requirements.
- . liaise with operators re unpaid fees.
- monitor logbook returns received from users and assess whether appropriate fees have been paid.
- in conjunction with administration reconcile returns with revenue received from marine park charges.
- 4. Report on use levels and assist in the development and review of policies and procedures for cost recovery mechanisms and permits.
- 5. Liaise with officers in Federal, State and Local government, commercial operators and appropriate Authority staff in carrying out duties.
- 6. Participate, as required, in project teams established for planning and management of the Great Barrier Reef Marine Park.
- 7. Supervise subordinate staff.

Assistant Project-Officer, Charging (ASO3)

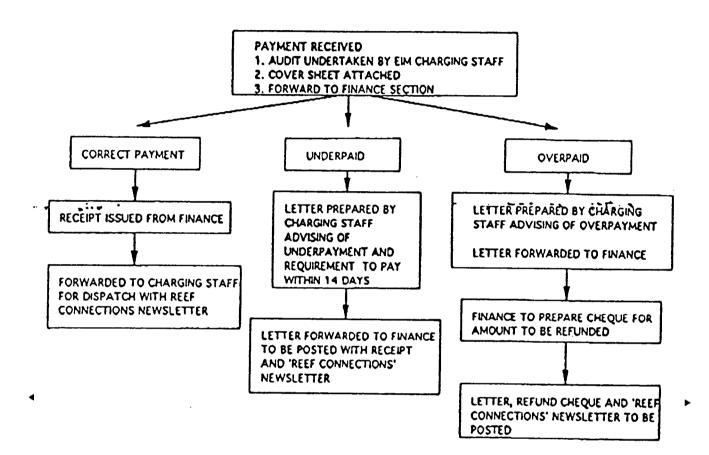
Under general direction:

- 1. Maintain, update and operate recording/information systems to enable the production of accurate, timely and informative management information reports.
- 2. Undertake administrative, policy and program responsibilities including the interpretation and application of relevant legislation.
- 3. Assist in the development, assessment and review of policy and plans for the work area, including the preparation of reports, correspondence and other written material.
- 4. Liaise with Commonwealth, State and local Government agencies, community organisations, the private sector and individuals in matters relating to the duties of the position.
- 5. Observing Equal Employment Opportunity, Occupational Health and Safety, and Industrial Democracy principles, supervise the work of subordinate staff. Provide staff training and development.

ADMINISTRATIVE PROCESS UNDERTAKEN FOR ENVIRONMENTAL MANAGEMENT CHARGE



ADMINISTRATIVE PROCESS UNDERTAKEN BY FINANCE SECTION



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