

Proposed Transport Licensing for Tourism Operators



Transport Regulation for Accredited Tourism Businesses

1. Background

1.1 Tourism in Western Australia

Tourism in Western Australia contributes \$11.9 billion in annual Gross State Product and generates 108,700 jobs across the state. Tourism earns the State \$3.2 billion per annum in international export earnings.¹

Western Australian tourism is regionally dispersed with approximately 50% of tourism occurring in regional areas. Tourism is the second largest employer in regional WA after the resources sector. WA tourism is also a major contributor to government revenue delivering approximately \$1.2 billion in net taxation per annum.

1.2 State Government Tourism Policy and Action Plan

The current State Government has identified tourism as a key industry driving economic diversity and job creation in Western Australia.²

To achieve this policy objective the State Government has created a Two-Year Action Plan with clear targets for tourism growth. This strategy is supported by tourism budget reform and regulatory reform such as liquor licensing.

1.3 Tourism Council WA

Tourism Council WA (TCWA) is the peak body representing tourism businesses, industries and regions in Western Australia. The Council represents more than 1,400 businesses across the state.

TCWA is primarily focused on Western Australia's competitiveness as a destination in the global tourism market. TCWA develops and advocates public policy which supports WA tourism competitiveness, economic development and job creation.

TCWA also assists tourism business enhance their competitiveness with industry development programs. These program range from mentoring in digital marketing to China Ready training and accreditation.

1.4 Tourism Regulation

There is no single licensing regime for the regulation of tourism businesses. Rather, tourism is regulated by a multiplicity of Federal, State and Local Government agencies via a range of regulatory regimes including:

- Hospitality e.g. liquor, gaming, food preparation and fisheries;
- Tourism property e.g. planning, building codes, accommodation, heritage and health regulation;
- Vehicles, vessel, aircraft and equipment regulation; and
- State land and assets e.g. marine parks, national parks, botanical gardens, heritage and fisheries.

These regulatory regimes have a significant impact on the cost, innovation and quality of the tourism customer experience in WA.

¹ Tourism Research Australia, State Tourism Satellite Accounts, 2015-16

² WA Labor Plan For Jobs, 2016 pp 59-65

2. Regulatory Reform and Tourism Businesses

2.1 Cumulative Impact of Regulation

Most tourism businesses operate under four or more State Government licences, permits and approvals. The cumulative impact of multiple regulatory regimes, and duplication by multiple agencies, creates significant regulatory burdens and unintended consequences for tourism businesses.

2.2 Unintended Regulatory Impact

Tourism is often caught in the definition and scope of regulation because it is a 'commercial' service, but is unlike the actual commercial activity which is the intended object of regulation. For example, charter fishing is unlike commercial fishing and tours are unlike other transport services. These tourism services are caught in regulatory regimes with little or no recognition that they are an 'exception to the rule' for the intended commercial activity which is the object of regulation.

2.3 Regulation of Private Activities

As a 'commercial' service, tourism is often also caught under regulatory regimes which are not imposed on private citizens for undertaking the same low-risk activities.

For example, a 'private' citizen can pick up a guest from an airport and transport them to their home. The citizen could provide dinner and drinks for their guest. The next day, the citizen could drive their guest into a national park and drop them off at a trail head with a packed lunch.

These private activities do not attract significant regulation. However, for a 'commercial' B&B operator to offer these same low-risk activities as a customer service would require at least five commercial licences or approvals for: transport, national park operation, food preparation, liquor and accommodation.

These commercial regulations are increasingly being ignored or unenforced as private citizens offer the same hospitality and tour services on a commercial basis through peer-to-peer markets such as AirBnB Experiences.

2.4 Accreditation as an Alternative to Excessive Tourism Regulation

The challenge for policy makers is to define and identify low risk tourism businesses which are not the intended object of commercial regulation. Once identified, these tourism businesses can be exempt from regulation, or the impact of regulation moderated to reflect the low risk of these tourism activities.

TCWA advocates that tourism accreditation be utilised by all State Government agencies to identify genuine, low-risk, tourism businesses and exempt them from unnecessary regulatory burdens.

3. Tourism Accreditation

3.1 The Australian Tourism Accreditation Program

The Australian Tourism Accreditation Program (ATAP) is a national industry certification program which has been operating in WA for more than 20 years. ATAP is managed in Western Australia by TCWA. More than 1,200 WA businesses are currently participating in ATAP.

ATAP provides independent quality assurance on the following fourteen business standards:

- Business Details and Registrations
- Licences and Permits
- Insurance details
- Marketing Plan
- Customer Service
- Business Operating Systems
- Human Resource Management
- Risk Management
- Economic Sustainability/Financial Systems
- Environmental Management
- Social/Cultural Sustainability
- Business Plan
- Continuous Improvement
- Code of Practice/Code of Ethics

Registered businesses complete the program online, including uploading relevant documentation. Once assessed as an Accredited Tourism Business (ATB), the business can use the registered trademark. Within twelve months of accreditation the ATB is subject to an onsite verification visit.

Each year businesses need to renew their accreditation through the online program. Further onsite verifications are conducted at least once every three years. In addition, any complaints or issues raised by customers, distributors, etc are subject to a Quality Improvement Review.

Accredited Tourism Businesses also receive ongoing training and coaching in customer service and digital marketing. Tourism Council WA operates the accreditation program as a means to improve the quality of tourism services in WA and protect the State's reputation as a tourism destination.

3.2 Tourism Accreditation and Public Policy

Tourism accreditation has proven an effective tool to set standards without the imposition of excessive regulation. From a public policy perspective, tourism accreditation offers:

- The ability to set and raise standards with the support of industry.
- Effective compliance checking of standards at no cost to government.
- Reduced regulatory burden on businesses.

In Western Australia, tourism accreditation is recognised by several State Government agencies for policy and regulatory purposes including:

- Department of Jobs, Tourism, Science and Innovation (Tourism WA).
- Department of Biodiversity, Conservation and Attractions (Parks & Wildlife and Rottnest Island Authority).
- Department of Primary Industries and Regional Development (Fisheries).
- Department of Local Government, Sport and Cultural Industries (Liquor Licensing).

State Government agencies use tourism accreditation to achieve a range of public policy outcomes with the tourism industry. Common outcomes include: customer health and safety, environmental protection, truth-in-advertising and protecting the reputation of public domain.

TCWA works with these State Government agencies to develop agreed standards and testing to achieve these shared policy outcomes.

3.3 Tourism Accreditation Recognised by the Productivity Commission

The Productivity Commission examined the Australian Tourism Accreditation Program in its 2013 research report *Regulator Engagement with Small Business* to improve the delivery of regulatory outcomes and reduce unnecessary compliance costs on small business. The report found:

“Recognition by regulators of industry and other third party certification, accreditation and audit processes would substantially reduce duplication in compliance efforts for some businesses. For example, some regulators in Victoria, Western Australia and South Australia recognise accreditation under the Australian Tourism Accreditation Program, when granting access licences to National Parks.” (2013: p15)

“In the Commission’s view, regulators should systematically consider the recognition of existing industry and other third party certification processes when determining compliance requirements for business. They should also consider the scope for outsourcing inspections and other compliance monitoring (but generally not enforcement) activities to industry.” (2013: p121)

The report recommended the following principle for all government engagement: *“Establish cooperative and collaborative arrangements with business/business groups to build trust and improve efficiency, including: recognition of industry accreditation schemes.” (2013: p15)*

3.4 Tourism Accreditation and Transport Licensing

Tourism Accreditation can provide a useful mechanism to set standards for tourism businesses providing transport as part of their tourism experience.

Key elements of the accreditation program are immediately relevant to transport licensing. Firstly, the accreditation program ensures that an Accredited Tourism Business is a genuine tourism operator providing a bookable tourism service and not a “rank and hail” or similar taxi service. An Accredited Tourism Business also has:

- All necessary government approvals e.g. DPAW licence and any licences required for drivers – meaning the business will comply with other transport regulatory requirements.
- Public liability insurance of at least \$10 million, workers compensation insurance and other relevant insurances for the business, property and vehicles – meaning the business meets insurer’s standards and has adequate cover to protect visitors and guests.
- Complies with truth-in-advertising codes – meaning the business cannot advertise or promote a transport service which they are not approved to deliver.
- Documented operational policies, procedures, job descriptions – meaning the business can implement consistent tour and transport service standards.
- A risk management plan – meaning the business knows what it will do in the event of an identified risk to visitors, guests or the business.
- Signed a code of conduct – meaning the business will not undertake practices that could damage the dignity and integrity of the tourism industry.

The assessment and verification of these standards through ATAP provides a low cost alternative to current regulation and licensing of transport services.

4. Proposed Approval of Tourism Transport Services

4.1 Proposed Approval of Tourism Transport Services

Tourism businesses involving transport services previously held the following licences: tour and charter; novelty; safari tour and charter licence; and tourism transfer licence. Currently tourism businesses are caught in the definition and scope of licensing for on-demand taxi/charter services.

As an alternative, TCWA proposes that Accredited Tourism Businesses be approved to provide transport services. This regulatory approval could take the form of:

- an exemption from being required to have a transport licence, or
- the automatic granting of a transport licence to an Accredited Tourism Business.

The proposed approval for an Accredited Tourism Business to provide transport services would be an alternative approval to the current on-demand licencing regime for taxi/charter services.

4.2 Tourism Transport Standards

Should the proposed tourism transport service approval require standards above the current accreditation program, TCWA would be able to work with Department of Transport to incorporate standards such as:

Potential Accreditation Standards	Compliance Testing
<ul style="list-style-type: none">• Vehicle maintenance records• Vehicle limits / safety requirements	<ul style="list-style-type: none">• Annual online certification• On-site verification

For example, TCWA has developed a higher *Eco Plus* accreditation standard for tourism businesses operating in National Parks. Businesses which meet this standard are eligible for longer (10 year) licences from Parks & Wildlife.

4.3 Benefits of Proposed Regulatory Reform

The benefits of this proposal are:

- The accreditation program and compliance testing would be at no cost to government, saving approval/licence fees for businesses.
- Accreditation would provide a more practical and effective regime to maintain standards for tourism consumers, than current government compliance testing.
- The accreditation trademark gives consumers certainty that minimum standards are met and independently checked, providing more consumer information than just social media reviews.
- The one accreditation program would cover multiple government licences (Liquor, DPAW, Transport, etc) reducing duplication and business compliance costs.
- Accreditation enjoys industry and business support, because it provides benefits such as consumer marketing and business training in addition to compliance testing.

5. Further comment

Tourism Council WA would be pleased to provide further input and comment. Please contact TCWA on 9416 0700 or at TCWA@tourismcouncilwa.com.au.



tourismcouncil
the voice of tourism western australia

PO Box 91
Burswood WA 6100
T: (08) 9416 0700
F: (08) 9472 011
E: tcwa@tourismcouncilwa.com.au
www.tourismcouncilwa.com.au