Systems to make tourism and others contribute to protected areas - the Great Barrier Reef

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Summary

Commercial tourism operators in the Great Barrier Reef Marine Park are required to pay an Environmental Management Charge (EMC). For most types of operation the fee is $A4.50 per day for each tourist carried. There are some discounts available. The total income from the charge in the 2002/2003 financial year was $A6.7 million, approximately 20% of the budget of the Great Barrier Reef Marine Park Authority.

The EMC also applies to mariculture, vessel chartering, vending operations and the discharge of sewage, although the amount collected is very small (0.3% of the total collected).

Other charges apply to the tourism industry and other users of the Marine Park. Users who require a permit are required to pay permit application assessment fees (including the costs of environmental impact assessments).

The Environmental Management Charge

Every tourism operator who conducts commercial operations in the Great Barrier Reef Marine Park is required to pay the Environmental Management Charge (EMC). This is a quarterly fee, mostly based on the number of tourists carried. The majority of tourism operators pay the standard tourist program charge equivalent to $A4.50 per visitor per day. Concessions apply for part day visitors, those on a trip longer than 3 days and sightseeing flights. Transit passengers and certain types of free-of-charge passengers (e.g. young children, school groups and media) are exempt.

Some specified types of tourist operations, such as beach hire, tourist facilities and underwater observatories, are charged a fee based on the facilities available.
The EMC was introduced in 1993 and the standard tourist program charge was set at $A1.00 per visitor per day. This standard charge was increased to $A2.00 in 1997 and $A4.00 in 1998. The standard charge is indexed to the Consumer Price Index (CPI) and increases in fifty cent increments can be introduced. The first of these came into effect in April 2003 when the charge increased to $A4.50.

The EMC also applies to most other commercial operators who require a permit from the Great Barrier Reef Marine Park Authority, including non-tourist commercial operations (e.g. vessels chartered for research, filming or delivery of goods to other vessels), mariculture and land-based sewage outfall into the Marine Park.

Activities that do not require a permit, for example private recreational activities, are not subject to the EMC. Commercial fishing activities (other than mariculture) are not subject to the charge. They do not require permits from the GBRMPA and pay charges to fisheries management agencies for managing that resource.

The EMC is paid to the GBRMPA quarterly in arrears. Tourism operators are required to submit a logbook of operations with their payment. The logbook must be completed daily and records the number of passengers carried and the locations visited.

The value of the revenue raised by the Environmental Management Charge has increased substantially since its introduction. This is due to the increasing amount charge and, to a lesser extent, increasing tourist numbers (Figure 1). Income from EMC payments not related to tourism represents only about 0.3% of the total EMC income.

**Figure 1: EMC Received 1993-2003**

* Standard charge increase - $A1 to $A2  
+Standard charge increase - $A2 to $A4  
† Standard charge increase - $A4 to $A4.50
Other fees, charges and contributions

The Great Barrier Reef Marine Park is a multiple use protected area. Activities within the Marine Park are controlled through zoning plans that require a permit for activities that may adversely affect the environment. Applicants are required to pay a Permit Application Assessment Fee (PAAF) prior to the assessment of any application for a permit. The fees range from $A510 for a small tourist program or a vessel mooring to $A3 660 for a tourist program carrying more than 150 passengers. Where significant impact assessment is required, higher fees can be levied, up to $A79 120 when an Environmental Impact Statement is required. A tourism facility such as a new tourist pontoon is usually charged a PAAF of $A29 300. Generally these fees are set at cost recovery or below.

The GBRMPA is currently working with the tourism industry to identify and recognise non-financial contributions to managing the Marine Park, such as presentation of World Heritage values, education of visitors, participation in monitoring programs and reporting infringements, incidents and pollution.

Why impose an EMC?

The Australian Government expects government agencies to recover a percentage of costs of management in many circumstances. In introducing the Environmental Management Charge, the Australian Government was seeking to find a way to make more resources available for management at a level guaranteed to match increasing use. It was made clear that a commercial operator using a community asset for profit should contribute to the cost of that asset’s management and conservation.

The tourism industry was identified as a beneficiary of effective management of the Marine Park. A charge per visitor was seen as an equitable, responsive and readily collectable way of recovering some costs.

The various income sources for management of the Great Barrier Reef Marine Park are shown in Figure 2. The Environmental Management Charge provides approximately 20% of the income of the GBRMPA.

Figure 2: GBRMPA Revenue Sources 2002/03
Preparation/Establishment

The EMC was introduced following extensive negotiation with members of the tourism industry who acknowledged that management of the Marine Park, including relevant research, was essential to the continued viability of their industry. A significant advantage to industry that was included in the scheme was the transferability of permits, improving flexibility in commercial decision-making. Initial negotiations were conducted at Ministerial level.

The size of the initial fees, and subsequent increases, were also the subject of considerable negotiation with the tourism industry. The fees are not based on any particular formula, but took into account capacity to pay.

The charges were introduced by legislative amendment to the *Great Barrier Reef Marine Act 1975* and associated Regulations. There are strict requirements relating to the timing of payments, and penalties for failing to submit the logbooks, charging returns and payments (including permit suspension and ultimately revocation).

Benefit sharing and cost sharing

All users of the Marine Park benefit indirectly from the EMC and other fees as they are applied to effective management throughout the Marine Park. A portion of the EMC income has been earmarked for research. No other function has been identified for direct benefit from the charge.

The tourism industry is concerned the charge is inequitable because it is not applied to other users of the Marine Park, such as independent travellers or recreational users. Some fees and charges that apply to other users are collected by agencies other than the GBRMPA. For example, professional fishermen pay licence fees to a State (rather than National) government agency that has primary carriage of fishery management.

One significant benefit of the EMC system for both the GBRMPA and the tourism industry is the detailed visitation statistics provided. Each tourism operator is required to keep a daily logbook of the number of passengers carried and the locations visited. Such data is very valuable in understanding tourism use of the Marine Park, in studying trends in tourism use and in identifying likely future management hotspots.

Conclusion and Recommendations

The EMC has been a successful part of the financing arrangement of the Great Barrier Reef Marine Park. Success has relied on commencing with a small charge and signalling increases well in advance.

Some see the charge as inequitable as it generally only applies to the commercial tourism industry and does not reflect the costs to management of other users of the Marine Park.

Further information/contacts

Great Barrier Reef Marine Park Authority website: www.gbrmpa.gov.au