

Tour Operator and Activity Provider Licensing

Tour operator fees

Fact Sheet
May 2021

What is the purpose of a licence?

The tour operator licensing system provides a consistent legislative framework for licensing commercial tourism and commercial recreation activity on public land and waters in Victoria.

Licensing provides land managers and government with assurances that tour operators and activity providers are:

- Implementing risk management measures associated with a tour or activity
- Meeting relevant safety standards
- Complying with environment protection conditions.

Tour operator licence fee regulations

The tour operator licence fee regulations ensure public land managers charge consistent statewide fees and recover a reasonable proportion of licence administration costs.

The fees have two parts, an annual licence fee and a use fee (based on visitor numbers). This means most fees are collected on a proportional use basis, reducing the financial burden for operators.

Coronavirus (COVID-19) has had a significant impact on many operators. In recognition of this, new regulations will retain the 2011 regulations fee structure with the same low use fees, set for a period of two years to allow time for industry to recover.

The fee structure will be reviewed as part of a policy review, to resume mid-2021 with a proposed policy to be released early 2022 and final policy mid-2022.

Why are the fees charged?

The fees reflect the need to effectively manage environmental and public safety issues that arise from nature-based tourism. The licence fees allow public land managers to recover a reasonable proportion of licence administration costs. Full cost recovery has not been set in recognition of the health, cultural and educational benefits of activities on public land.

Fees for standard tour operator licences

The fees for standard tour operator licences are shown in Table 1. The value of a fee unit for 2021-22 is \$15.03.

Table 1: Summary of standard tour operator licence fees

Category	Fee for 2021-22
Annual fee – standard one year licence	\$312.30
Annual fee – standard licence greater than one year (per year)	\$245.00
Use fee – adult ^a	\$2.40
Use fee – child (16 years and under) and school student ^a	\$1.60
Use fee cap	\$15,311.70

a. Per person per day

The annual licence fee for standard tour operator licences is fixed to the identified number of fee units set out in the regulations. The value of a fee unit is indexed annually for inflation by a rate set by the Treasurer, ensuring the value of fees is not eroded by price increases over time. It is published in the Victoria Government Gazette.

The annual licence fee for a standard one-year tour operator licence is 20.78 fee units, or 16.3 fee units for multiple year (longer term) licences. The annual standard licence fee for a given financial year is calculated by multiplying the regulated number of fee units by the annual fee unit value set by the Treasurer.

Use fee cap

For standard tour operator licences the regulations prescribe an annual cap on the total amount of use fees a tour operator is required to pay. If a licensee elects to pay the use fees quarterly, the licensee would be entitled to a refund of any excess paid over the use fee cap at the end of the financial year. Likewise, if a

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licensee elects to pay the use fees annually they will not be required to pay annual use fees in excess of the capped amount.

Visitation (trip returns)

Tour operators are required to maintain a daily record of the number of persons who participate in tours in the form provided by their land manager. A copy of this record is to be provided to the land manager on a quarterly or annual basis, and this is used to calculate the use fees payable.

Use fee waiver for outdoor fitness trainers

A use fee waiver is currently in place for outdoor fitness trainers until a review of the tour operator licensing policy is complete (or when the 2021 fee regulations sunset in June 2023). The waiver applies for use fees only and trainers are still required to hold a licence and pay an annual licence fee.

The waiver was issued under the regulations, following a review that found outdoor fitness trainers were disproportionately affected by the licensing system.

Fees for competitively allocated tour operator licences

The regulations establishing tour operator licence fees provide that:

- Public land managers may set the annual fee for a competitively allocated licence, but must advertise the fee in a public Expression of Interest document before licence applications are made
- As a minimum the annual fee must be equivalent to the annual fee for standard tour operator licences
- Use fees for competitively allocated licences are the same as for standard tour operator licences
- No use fee cap applies to competitively allocated licences.

The annual fee should also reflect a fair and appropriate return to the land manager while ensuring that the

system of administration of the licence is both cost effective and efficient.

For annual fees greater than \$5,000, public land managers should seek a valuation by the Valuer General Victoria or a registered valuer.

The use fees and minimum annual fees for competitively allocated licences are shown in Table 2.

Table 2: Summary of competitively allocated tour operator licence fees

Category	Fee for 2021-22
Minimum annual fee	\$312.30
Use fee –adult ^a	\$2.40
Use fee –child (16 and under) and school student ^a	\$1.60

a. Per head per day

Further assistance

For more information on tour operator licences please visit www.forestsandreserves.vic.gov.au/tour-operators or call the DELWP Customer Contact Centre on 136 186.

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