Introduction

As at the beginning of 2014, there were 222 tourism operators operating within Tasmania’s parks/reserves/World Heritage Areas and Wellington Park. These operators included those who provided tours and experiences such as Franklin River rafting, Cradle Mountain Walks, aircraft trips into the Southwest National Park, scenic flights, Freycinet Lodge, Macquarie Island cruise ship operators, guided walks into many parks, boardwalks/interpretive walks along the Gordon River and at Sarah Island, ferry operations to Maria Island, sea kayaking and wildlife tours at Freycinet, and bus transport tours. Tourism operators secured leases and/or licences by submitting an application to the Parks and Wildlife Service or by participating in an open tender process.

On 18 February 2014, the Tasmanian Liberal Party announced a new policy approach to encourage projects in Tasmania’s national parks and World Heritage areas that was articulated in the Liberal Party document “Unlocking the potential in our Parks” which stated:

> The Liberals will encourage development in our National Parks by calling for expressions of interest from private investors and tourism operators to propose their ideas for developing sensible, low-impact eco-tourism experiences and associated infrastructure which will broaden the range of exciting and unique experiences on offer in our beautiful parks.

Following the March 2014 election, the first round of the EOI process for “new, sensible and appropriate” tourism developments in Tasmanian national parks, reserves and Crown land was opened on 21 June 2014. The first round called for proposals that focused on the Tasmanian Wilderness and World Heritage Area (TWWHA), National Parks and Reserves around the State managed under the National Parks and Reserves Management Act 2002. Subsequent EOI rounds would seek submissions for developments in other types of land, including Crown land, state forests and land adjacent to the TWWHA and national parks.

The EOI process was expected to play key role in delivering the Liberal Government’s vision to grow the tourism industry to 1.5 million visitors per year by 2020, with the creation of up to 8 000 new jobs.

The first round of the EOI process was conducted in two stages. Stage one invited proposed developments to be submitted for an initial assessment, with submissions closing on 21 November 2014. Stage one was focused on capturing project concepts so as to ensure that ideas were not excluded early in the process by a requirement for significant investment in the development of consultant reports and detailed project specification. This approach was aimed at maximising the number of entrepreneurial concepts to be put forward. Stage Two involved assessing proposed developments in more detail by calling for a “Request for Detailed Proposal”.

A total of 37 projects were received for assessment with the developments ranging from low-impact guided walks and tours to the construction of high-end eco-tourism accommodation.

1 Tourism Investment Opportunities in the Tasmanian Wilderness World Heritage Area, National Parks and Reserves, Department of Primary Industries, Parks, Water and Environment
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The EOI Assessment Panel considered the projects against a number of criteria including:

- the appropriateness of the particular development to a particular site
- the qualifications of the proponent to establish and operate the development
- the ability of the proponent to finance the development.

The EOI Assessment Panel also considered the EOI projects against the following high level guiding principles:

- proposed developments should be compatible with and sensitive to the cultural and natural values, character and setting of the reserve and should aim to enhance broader visitor enjoyment of the State’s reserve estate
- proposed developments should offer unique, innovative and enhanced visitor experiences and provide a net public benefit
- proposed developments offering environmental tourism experiences that involve or benefit local communities (including the Aboriginal community) should be encouraged
- proposed developments should be established and managed in an ecologically sustainable manner, and should be designed to minimise the footprint on the site
- proposed developments should be compatible with the statutory management objectives and purpose of the reserves in the relevant legislation (however, a Participant is not excluded from lodging an EOI Submission for a Proposed Development that is not fully compatible with the current statutory and regulatory framework, for consideration and assessment by the Minister)
- proposed developments should take account of associated risks relating to natural events for the proposed settings, for example, bushfires or flooding.

The EOI Assessment Panel completed its Stage One assessment in January 2015 and the then Minister for Environment, Parks and Heritage invited 25 participants recommended by the Panel to proceed to Stage Two which was managed by the Office of the Coordinator-General.

EOI participants who were approved to proceed to Stage Two were asked to submit a more detailed proposal for further consideration. Developments that progressed to Stage Two of the EOI process were assessed by the EOI Assessment Panel who made recommendations to the Minister on which proposals should be invited through to lease and licence negotiations. Once Recommendations were made successful proposals moved through to PWS using the existing approval processes for developments on reserved land.

Round Two of the EOI process commenced on 17 December 2016. There is no deadline for this EOI round and it remains open as a continuous process so that ideas can be proposed as opportunities arise.

The Office of the Coordinator-General has been responsible since the finalisation of Stage one, Round one for managing the EOI process and coordinating relevant internal and external advice in preparation for assessment by the EOI Assessment Panel. The EOI Assessment Panel makes recommendations via the Coordinator-General to the Minister for State Growth. The Minister considers the EOI Assessment Panel’s recommendations and makes all final decisions. Following successful progress through the EOI assessment process, proponents may be invited by the Minister.
to commence contract negotiations for lease and licence arrangements and progression of all relevant statutory approvals as required under Australian or Tasmanian Government legislation.

The EOI process is not a process established in legislation, rather, it is an internal administrative process developed by Government to identify potential projects and to guide proponents through other relevant approval processes. The EOI process is intended to provide flexibility, subject to legislative and probity requirements, for the Minister to negotiate with applicants to achieve suitable outcomes. This may include assisting each applicant to find a suitable alternative site, merging independent EOI submissions or identifying opportunities for applicants to work together where mutually compatible developments are proposed for a site.

The intended advantages of the EOI process include:

- signalling the willingness of the Government to attract investment from tourism proponents from Tasmania, nationally and internationally
- the identification of a wide variety of sensitive and appropriate environmental tourism experiences and associated infrastructure projects that will broaden the range of experiences on offer in Tasmania’s natural areas
- proactive engagement with tourism proponents
- the potential for some proposals to be catalysts for economic renewal of regional communities
- minimal initial cost outlays for tourism proponents during initial stages of the EOI process
- protection of intellectual property associated with potential tourism projects
- timely indication of government support or interest
- enabling the Government to ask for further information before making a final decision on whether to enter into contractual negotiations or licence or lease arrangements
- providing the Government the opportunity to negotiate with tourism proponents before entering into licence or lease arrangements.

However, the nature of the EOI process has also drawn public criticism, including the lack of clarification from the Government on what it sees as ‘appropriate and sensitive’ development in reserves, the potential environmental and access impact on reserve areas and the transparency of the decision making process.

**Audit objective**

The objective of this audit is to assess the effectiveness of the EOI process to achieve development of sensitive and appropriate tourism experiences and associated infrastructure in Tasmania’s national parks, reserves and Crown land by private investors and tourism operators to broaden the range of exciting and unique experiences on offer.

This audit will also assess whether:

- there is effective coordination of EOI submissions
- governance arrangements ensure a clearly defined separation of duties and personnel between the assessment and approval functions
EXPRESSIONS OF INTEREST FOR TOURISM INVESTMENT OPPORTUNITIES

- there is clarity and consistency in how regard is given to other relevant processes and approval requirements in related procurement policy documents (including relevant management plans and guidelines).

We will also assess the extent to which advice was provided by Crown Law or the Solicitor-General and whether that advice was implemented or not.

Audit scope

The scope of the audit is limited to the tourism developments submitted under Round One and Round Two of the EOI process.

State entities that will be included within the scope of the audit are:

- Department of State Growth, including the Office of the Coordinator-General
- Department of Primary Industries, Parks, Water and Environment, including Parks & Wildlife Service.

The audit will not examine:

- tourism developments in Tasmanian national parks, reserves and on Crown land that were approved prior to the commencement of the EOI process on 21 June 2014
- tourism developments on Crown land that were approved prior to the commencement of the second round of the EOI process on 17 December 2016
- tourism developments in Tasmanian national parks, reserves and on Crown land approved post 21 June 2014 that have been subject to an alternative public tender process
- tourism developments subject to Parks and Wildlife Service’s own application and approval processes and which are not subject to the EOI process.
### Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Sub-criteria</th>
<th>Points to consider</th>
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| 1. Is there an effective governance structure for the whole EOI process? |  | • Governance arrangements support and facilitate the implementation of the Government’s intentions  
• Governance arrangements ensure a clearly defined separation of duties and personnel between the assessment and approval functions  
• Clear and effective coordination of EOI submissions throughout the EOI process  
• Conflict of interests appropriately managed  
• Documented evidence of decisions made by relevant Ministers |
| 2. Have EOI projects been appropriately assessed by the EOI Assessment Panel? | 2.1 Were EOI projects assessed by the EOI Assessment Panel in accordance with the assessment criteria and the guiding principles and established decision making process? | • Initial high level assessment undertaken by Parks and Wildlife Service  
• Appropriate consideration given to the use of external advisers, e.g. financial analysis, project risk assessment  
• Documented evidence of EOI Assessment Panel assessment against the assessment criteria and guiding principles  
• Documented evidence of the decision made by the EOI Assessment Panel  
• Consideration of matters referred to, or raised by, probity advisers |
## EXPRESSIONS OF INTEREST FOR TOURISM INVESTMENT OPPORTUNITIES

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| 2.2      | Do the EOI assessment criteria and guiding principles align with the Government objectives? | • Basis for determining assessment criteria and guidelines  
• Basis for assessing “appropriate and sensitive” development in reserves  
• Criteria includes specific or defined standards, preferences or constraints relating to environmental and cultural values  
• Consideration of the objectives of the relevant management plan to develop assessment criteria |
| 3.1      | Were EOI projects assessed by Parks and Wildlife Service in accordance with applicable assessment and decision making processes given the level of information available at that time and the level or decision / assessment required? | • Evidence of approvals received from relevant Ministers prior to commencement of assessment or lease and/or licence negotiations  
• Determination of the RAA scope (RAA Level)  
• Process for assessing natural, cultural and economic impacts  
• Determination of the need for stakeholder consultation  
• Determination of the need for advice on impact assessment and management from specialists  
• Requirement for Management Plan changes to be made in accordance with statutory process |
| 3.        | Have EOI projects been appropriately assessed by Parks and Wildlife Service and approved by relevant authority? | • Evidence of approvals received from relevant Ministers prior to commencement of assessment or lease and/or licence negotiations  
• Determination of the RAA scope (RAA Level)  
• Process for assessing natural, cultural and economic impacts  
• Determination of the need for stakeholder consultation  
• Determination of the need for advice on impact assessment and management from specialists  
• Requirement for Management Plan changes to be made in accordance with statutory process |
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## EXPRESSIONS OF INTEREST FOR TOURISM INVESTMENT OPPORTUNITIES

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<td><strong>4. Do effective licence and/or lease negotiation processes exist?</strong></td>
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<td>• Compliance with other relevant processes and approval requirements in related policy documents&lt;br&gt;• Extent to which advice was provided by Crown Law and/or the Solicitor-General and whether that advice was implemented or not&lt;br&gt;• Final concept design and lease or licence negotiation processes&lt;br&gt;• Conditions that hold the proponent accountable for delivering the agreed environmental, social and economic outcomes&lt;br&gt;• Decommissioning and rehabilitation requirements</td>
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<td><strong>5. Are ongoing monitoring and evaluation processes effective?</strong></td>
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<td>• Monitoring activities to assess whether projects conducted in accordance with planning permit conditions&lt;br&gt;• Monitoring activities to ensure compliance with environmental management plans, cultural heritage plans</td>
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<td></td>
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<td>and/or facility operational plans</td>
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<td>• Monitoring activities to identify any changes of circumstances such as environmental conditions and impacts of tourism activities</td>
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<td>• Monitoring of visitor impacts and service quality</td>
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<td>• Monitoring of the EOI process to determine whether it is delivering the desired outcomes and intended benefits.</td>
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