



**Strategic Governance Options for
the Great Ocean Road**
Case studies

9 April 2018

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1 Introduction

This report explores four well-known tourism destinations as case studies. Each case study shares some similarities with the Great Ocean Road as a destination. These case studies provide an opportunity for the Great Ocean Road Taskforce to identify lessons learned and ideas that could help shape thinking around potential governance arrangements. The structure of each case study purposefully sets out:

- the features of the destination;
- the drivers of the governance arrangements; and
- a description of current governance arrangements and, in some cases, funding and revenue-raising arrangements.

Background

On 14 September 2017, the Victorian Government announced the establishment of the Great Ocean Road Taskforce. The Taskforce's responsibilities include:

- Review the effectiveness of the current governance arrangements for the Great Ocean Road and its landscape;
- Consult extensively with Traditional Owners of Country, Responsible Public Entities and local communities; and
- Make recommendations on governance reforms to protect the distinctive landscapes, improve the visitor experience and attract investments that benefit both tourists and local communities.

To fulfil this remit, the Taskforce is undertaking several streams of work, including examining a range of future potential governance options for the Great Ocean Road.

Deloitte Access Economics has been commissioned to support the Taskforce examine existing governance arrangements and identify and consider potential future governance options for consideration.

This report is intended as a reference document as part of the Great Ocean Road Taskforce's work program. It presents a summary of select global tourism destinations and their corresponding governance arrangements, enabling the Taskforce and stakeholders to consider how elements of these arrangements could inform the development of future governance arrangements for the Great Ocean Road.

Victoria's Great Ocean Road

The Great Ocean Road is a significant tourism, cultural and economic region of Victoria. Within a 90-minute drive from Melbourne, the tourist route stretches 243km, encompassing the roads, coastal Crown land and communities from Port Fairy to Torquay.

Each year, over five million visitors come to experience Victoria's cultural, ecological and heritage-listed attractions along the Great Ocean Road.

Visitors are drawn by incredible coastal views and cliff faces, intertwined with serene rainforest and greenery. Whilst the rare landscape, flora and fauna is a marker of the high ecological and economic value of this area, particularly to local indigenous communities.

Coupled with the region's natural and cultural heritage, is the historical importance of this area to Victoria. The Great Ocean Road was originally constructed by returned servicemen and has great meaning to war veterans and their families. Today the road remains a memorial for the First World War.

The National heritage-listed tourist road is also an access route for the isolated local communities along its length providing connection to the regional transport network and an emergency access route

These remarkable elements – the unique geography, cultural fabric and local history of the area combine to make the Great Ocean Road a truly exceptional part of Victoria.

Challenges facing this globally significant destination

Despite its importance, the Great Ocean Road is encountering a number of economic, social and environmental challenges, many of which are interconnected. There is a need for these to be addressed to ensure the current and future prosperity of local communities, recognition of indigenous heritage and protection of a unique natural environment, balanced with respectful development that positions the region to release greater economic benefits from a thriving visitor economy.

These challenges are well understood by key stakeholders involved in the Great Ocean Road. These have been identified in various consultations dating back to the 2004 Great Ocean Road Regional Strategy, as well as recent consultations conducted on behalf of the Great Ocean Road Taskforce. These views are supported by various planning work that has been completed including the 2015 Shipwreck Coast Masterplan and 2015-2025 Strategic Master Plan for the Great Ocean Road Region Visitor Economy.

It is the general consensus that a number of challenges stem from and can be addressed by examining the existing governance arrangements of the Great Ocean Road Region.

Presently there are a significant number of public entities with varying accountabilities ranging from strategy development, land-use planning and development, infrastructure delivery, asset maintenance, emergency management, investment facilitation, destination promotion as well as management of the environment and local ecology. The scale and quantum of organisations involved in governance in the region means there is a degree of duplication and inefficient allocation of resource spending across the board – limiting the effectiveness of processes intended to realise key economic, environmental, cultural and heritage outcomes for the region. It also means that it is difficult to progress solutions when the challenges that straddle geographic boundaries or that relate to multiple entities. This includes the need to enhance engagement and participation of Traditional Owner Communities (Wadawurrung and Eastern Maar people).

Key notable challenges include:

- Absence of complementary visitor experiences, to manage congestion bottleneck areas along the Great Ocean Road;
- Realise greater economic benefits for the region, particularly the 12 Apostles;
- Inconsistent application of land-use planning approvals framework, constraining appropriate private sector investment;
- Limited systems view of the Great Ocean Road, resulting in decisions that effect, a specific local perspective being prioritised over a holistic vision for the region;
- Completion of numerous studies and strategies over a period of time, without a clear implementation mandate for the length of the Great Ocean Road;
- Limited availability of public funding, with no mechanism to target funds to efficiently address regional priorities;
- Limited use and application of revenue raising mechanisms, particularly for visitors to the region;
- Limited holistic view regarding environmental and coastal management planning; and
- Limited participation and resourcing for appropriate representation of Traditional Owners.

These challenges are not unique to the Great Ocean Road, and are experienced by similar destinations in other jurisdictions.

Presentation and purpose of case studies

The destinations that have been profiled include:

- Great Barrier Reef, Australia;
- Milford Sound, New Zealand;
- Cinque Terre, Italy; and
- Big Sur, United States of America

These destinations were selected based on features that have some parallel with the Great Ocean Road. Each destination draws visitors based on its unique natural environment and landscape. And importantly, each has to carefully balance protecting its valuable environmental asset, with needs of local communities (including in some cases indigenous communities) and the visitor economy. Notwithstanding these areas of similarity, there are also some distinct differences driven by bespoke history and heritage.

A case study approach has enabled a close examination of each destination's governance arrangements, including (structure, legislative mechanisms and reporting relationships) to be understood within each destination's unique context and drivers (environmental degradation, visitor revenue yields, congestion, private sector investment, multiplicity in entity structures etc.).

Table 1 below outlines some commonalities shared by each of the destinations profiled.

Table 1 Overview of case study commonalities

| Commonalities | Description |
|--|--|
| Environmental asset drives tourism | The attraction and popularity of each tourism destination is driven by its attraction as a natural, environmental asset. |
| Increased visitor numbers | Each destination is experiencing significant domestic and international visitor growth, which is projected to continue in line with global trends. |
| Visitor congestion | The nature of the landscape and environment encompassing Milford Sound, Cinque Terre and Big Sur have historically limited the size of visitor routes. Consequently, visitor growth has and is continuing to result in visitor congestion in concentrated areas. |
| Public amenities | Across all tourism destinations, increased pressure is being placed on public amenities and infrastructure (particularly public restrooms) due to the high visitor volume (with the exception of Great Barrier Reef). |
| Availability and quantum of funding | Each destination is increasingly facing funding pressures and are looking to optimise its governance and revenue raising arrangements to increase the availability and prioritisation of funding. |
| Continuous improvement approach to governance arrangements | Given the complexity of issues and challenges faced by each destination, each has recently instituted changes to its governance arrangements or has undergone reviews to look for opportunities for optimisation. |

Table 2 below summaries some key differences between each of the tourism destinations that have been profiled.

Table 2 Overview of case study differences

| Differences | Description |
|-----------------------------------|---|
| Limited private sector investment | The fragmented nature of the governance arrangements of Big Sur and Milford Sound, in addition to strategic planning accountability, is limiting the ability to attract private sector investment in product and experience development. Alternatively, Cinque Terre and Great Barrier Reef have embraced private sector investment, including collecting revenue from this market. |
| Low yield | Unlike Great Barrier Reef and Cinque Terre, Milford Sound and Big Sur face the challenge of growing visitor expenditure and yields. There are a number of drivers for this, including the planning framework, local community interest as well as the quality and quantity of public amenities and supporting infrastructure. |

| Differences | Description |
|--|--|
| Extent of fragmentation in governance arrangements | The level of fragmentation across each destination's governance arrangements vary. Where the Great Barrier Reef has looked to streamline governance through Great Barrier Reef Marine Park Authority, Milford Sound and Big Sur have sought to retain multi-entity participation. However, they have centralised accountability around strategic planning. |
| Land ownership | The mix of land ownership between public and private varies across all destinations, which in turn has some influence on the land use planning framework. |
| Statutory delegation | All governance arrangements are enabled within a legislative framework, however each provide varying levels of delegation between local, state and federal government entities and special purpose governance entities and groups. |
| Engagement with community | There are varying levels of community engagement and participation in governance arrangements across each destination – including community representation on Advisory Committees and Action Groups through to representation via their local Council. |
| Environmental preservation | Great Barrier Reef and Cinque Terre have experienced major environmental damage, which is threatening the longevity of these destinations. |
| Indigenous representation | Indigenous representation in Milford Sound and Great Barrier Reef is highly valued and important, with formal representation in governance arrangements. It is unclear as to whether Big Sur and Cinque Terre do the same or whether they are required to. |

Detailed case studies are set out on the following pages. As mentioned above, the structure of each case study purposefully sets out:

- the features of the destination;
- the drivers of the governance arrangements; and
- a description of current governance arrangements and, in some cases, funding and revenue-raising arrangements.

2 Profiling governance arrangements of global tourism destinations

Great Barrier Reef



Great Barrier Reef

- The Great Barrier Reef spans 2,300 kilometres of water off the east coast of Queensland, Australia. The Reef stretches from the Southern Coastal town of Bundaberg all the way to Cairns.
- The Reef is the largest coral reef in the world and attracts over 2.6 million visitors annually, contributing an estimated \$6.4 billion in gross value added to the Australian economy. Commercial fishing and aquaculture are also important drivers of the Reef economy, with an estimated gross value added of \$162 million in 2015-16¹.
- Key threats to the health and long-term sustainability of the reef are environmental and include climate change, crown of thorn starfish, illegal fishing, pollution, oil spills, shipping accidents and tropical cyclones.
- The Great Barrier Reef Marine Park Authority (GBRMPA) has managed the reef for over forty years. The authority is responsible for setting the strategic plan, managing activity in the Marine Park, jointly making funding decisions with government and working with the communities and industries that depend on a healthy reef for recreation and their livelihoods².
- GBRMPA has strong connections and interactions with Reef stakeholders – tourism, environment, citizen science groups and the public more broadly – while obviously not formally part of its governance arrangements, it forms an important part of its operating model as an organisation.

¹ (Deloitte Access Economics, 2017) [At What Price? The economic, social and icon value of the Great Barrier Reef](#)

² (Great Barrier Reef Marine Park Authority, 2018 b)

Context and history

The Great Barrier Reef spans 2,300 kilometres of water off the east coast of Queensland, Australia. It is the largest living structure on Earth, comprising over 2,900 individual reefs and 900 islands over an area of approximately 344,400 square kilometres.³

The Great Barrier Reef is one of the seven natural wonders of the world, attracting more than 2.6 million visitors (including standalone coral viewing activities and scenic flights).⁴ In 2017, Deloitte Access Economics valued the economic contribution of the Great Barrier Reef to the Australian economy at \$6.4 billion, with 64,000 jobs supported.⁵ The significant cultural heritage and spiritual value of the Great Barrier Reef to Aboriginal and Torres Strait Islander peoples is widely recognised and is embedded in Indigenous culture and wisdom.



Figure 1 Map of the Great Barrier Reef

Source: (Great Barrier Reef Marine Park Authority, 2018 c)

Challenges and opportunities faced by the Great Barrier Reef

Increasing visitor numbers and ongoing environmental threats have created a number of challenges and opportunities for the Great Barrier Reef.

| Challenge / opportunity | Description |
|----------------------------|---|
| Environmental preservation | The major ongoing environmental threats to the health of the reef are climate change, pollution, crown-of-thorns starfish and fishing. Other threats include shipping accidents, oil spills, and tropical cyclones. |
| Human use | The Great Barrier Reef Marine Park and its Authority were set up in 1975 to manage the effects of direct human use including fishing, shipping and tourism. Maintaining the health of the Reef is crucial not only for the thousands of marine species the Reef supports, but also the economic value it generates from tourism and the existence value many place on the Reef. |
| Increased tourism | More than 2.6 million people visit the Great Barrier Reef each year. Although most of these visits are managed in partnership with the marine tourism industry, there is a concern that increased tourism may be harmful to the Great Barrier Reef. Management of tourism in the Great Barrier Reef is geared towards making tourism ecologically sustainable. |

³ (Great Barrier Reef Marine Park Authority, 2018 c)

⁴ In the year to June 2017: (Great Barrier Reef Marine Park Authority, 2018 a)

⁵ (Deloitte Access Economics, 2017) [At What Price? The economic, social and icon value of the Great Barrier Reef](#)

Overview of governance arrangements

Great Barrier Reef Marine Park Authority

In 1975 the Australian Government created the Great Barrier Reef Marine Park (GBRMPA) to limit the impact of human use including fishing, shipping and tourism on the reef. The complex and important biodiversity of the reef was further recognised in 1981 when the site was listed as a World Heritage Site and again in 2007 when the Reef was added to Australia's National Heritage List. Existing statutes were updated to ensure compliance with world heritage values. Similarly, non-statutory tools like site management and Industry Codes of Practice contribute to the protection of World Heritage values.⁶

The Great Barrier Reef is managed by GBRMPA, a Statutory Authority established when the Marine Park was created by the Commonwealth Government. The Authority is responsible for setting the strategic plan, managing activity in the Marine Park, jointly making funding decisions with the Queensland Government and working with the communities and industries that depend on a healthy reef for recreation and their livelihoods⁷.

GBRMPA reports to the Federal Minister for the Environment, having the key function of making recommendations to the Minister in relation to the care and development of the Marine Park.

The roles and responsibilities of the Authority are set out in the *Great Barrier Reef Marine Park Act 1975*. Some of these functions include:

- Managing the Marine Park, including ensuring ecological sustainability and protecting heritage values
- Receiving and disbursement of money relating to the Marine Park
- Preparation and publication of plans about the way the Authority intends to manage the Park or perform its other functions
- Prepare zoning plans and management plans including a five yearly Outlook Report
- Carry out and arrange research relevant to the Marine Park
- Provide or arrange for the provision of education, advisory and informational services relating to the Marine Park

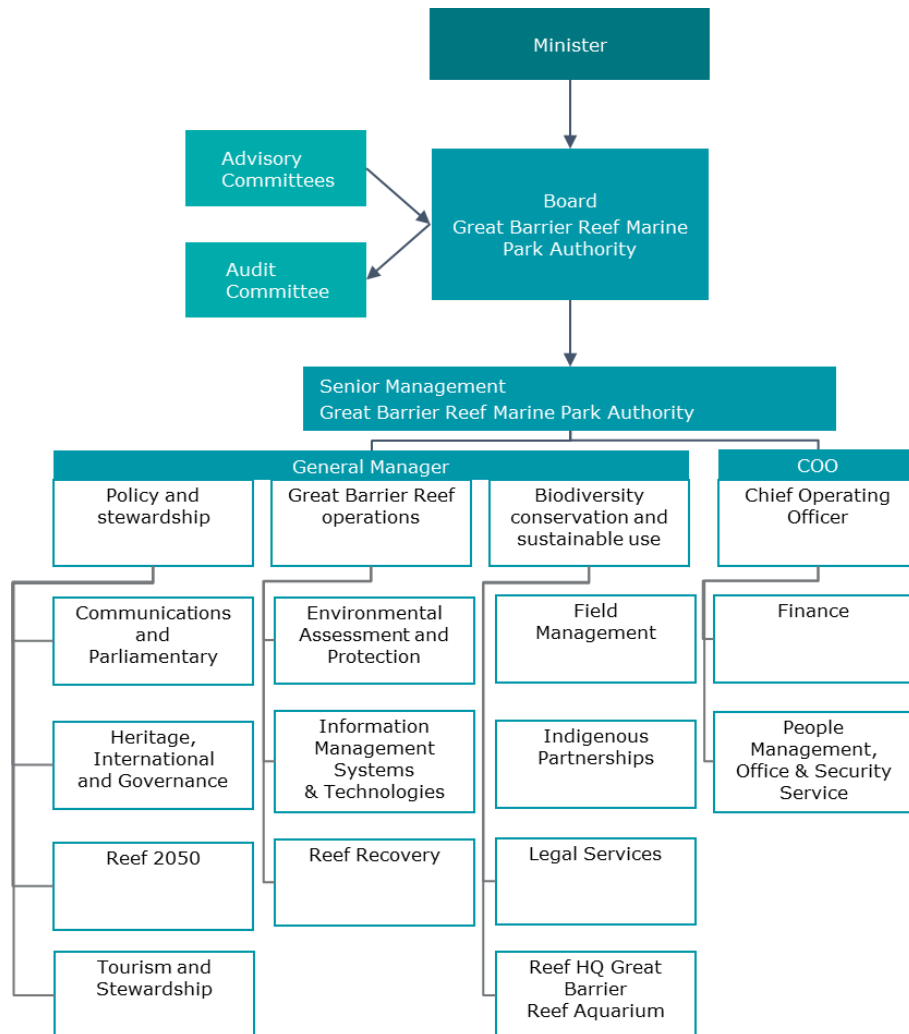
GBRMPA also has the authority to fine park visitors for Commonwealth offenses such as removing protected coral and marine life, and breaching zoning rules including illegal fishing⁸. Figure 2 provides an overview of the organisational structure of GBRMPA.

⁶ The Great Barrier Reef Marine Park Act 1975 was amended in 2007 and 2008, and now provides for "the long term protection and conservation ... of the Great Barrier Reef Region" with specific mention of meeting "... Australia's responsibilities under the World Heritage Convention." (Department of Environment and Energy (C'With), n.d.)

⁷ (Great Barrier Reef Marine Park Authority, 2018 b)

⁸ As with all Commonwealth and State criminal and civil offenses, penalty units are paid to the respective Treasury

Figure 2 Overview GBRMPA organisation structure

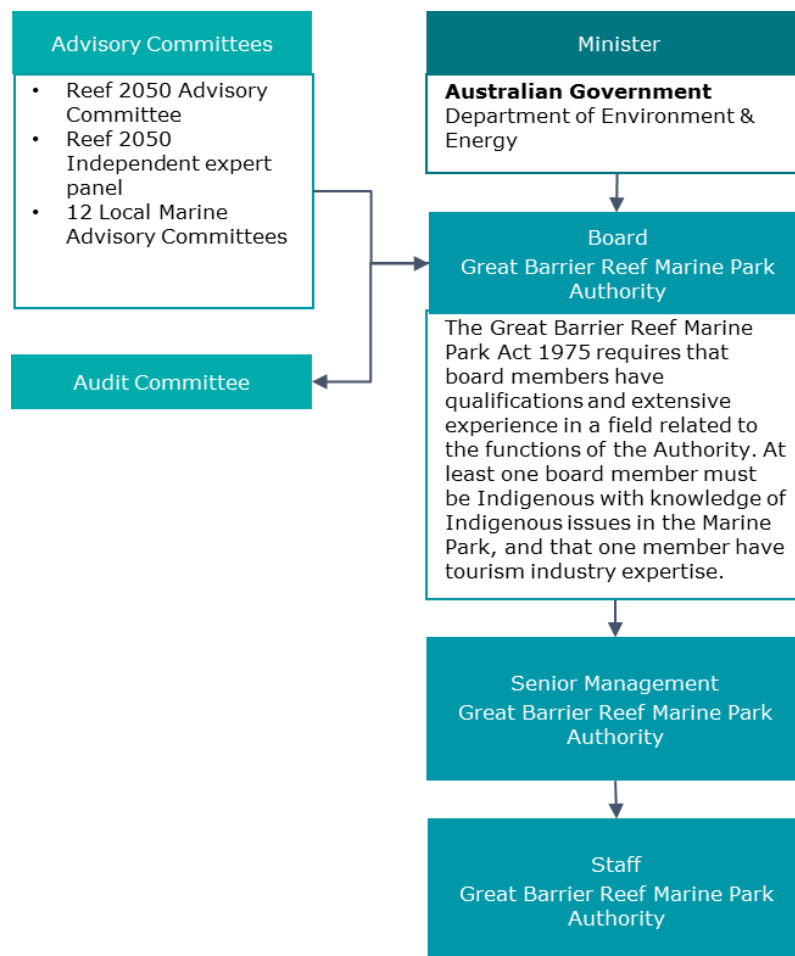


1. Role of General Manager: Three general managers are responsible for corporate services and the daily management function of the GBRMPA; policy and stewardship, Great Barrier Reef operations, Biodiversity conservation and sustainable use.
2. Role of staff units: Staff units support the operational function of the Great Barrier Reef Marine Park Authority. e.g. Legal Services.

Strategic Management of the Reef

GBRMPA has responsibility for setting strategic objectives relating to the Reef and its Marine Park, in conjunction with the Australian and Queensland Governments. Members of the board are required to have qualifications or extensive experience in a field related to the functions of the Authority, including the tourism industry, and at least one member must be Indigenous with an understanding of Indigenous issues in the Marine Park⁹. The strategic planning process is supported by a number of independent and expert panels and committees. Figure 3 provides an overview of the strategic planning governance arrangements.

Figure 3 Strategic management function of the Great Barrier Reef Marine Park Authority



Source: (Deloitte Access Economics, 2018); (Craik, July 2017)

1. Minister for Department of Environment and Energy (Australian Government): The Minister selects Chairman & board members (who are appointed by the governor-general).
2. Great Barrier Reef Marine Park Authority Board: The Board is responsible for the efficient and effective performance of the legislative functions of the Authority. Discussions by the board are focused on broad policy and legislative matters. The board meets four times each year.
3. Audit Committee: The GBRMPA is accountable to the Government and public through the same mechanisms that apply to other government bodies. The Audit committee ensures the Board and the Authority comply with all requirements.

⁹ Great Barrier Reef Marine Park Act 1975 S10(6), S10(6A), S10(6B)

4. Advisory Committees: Advisory committees support the board

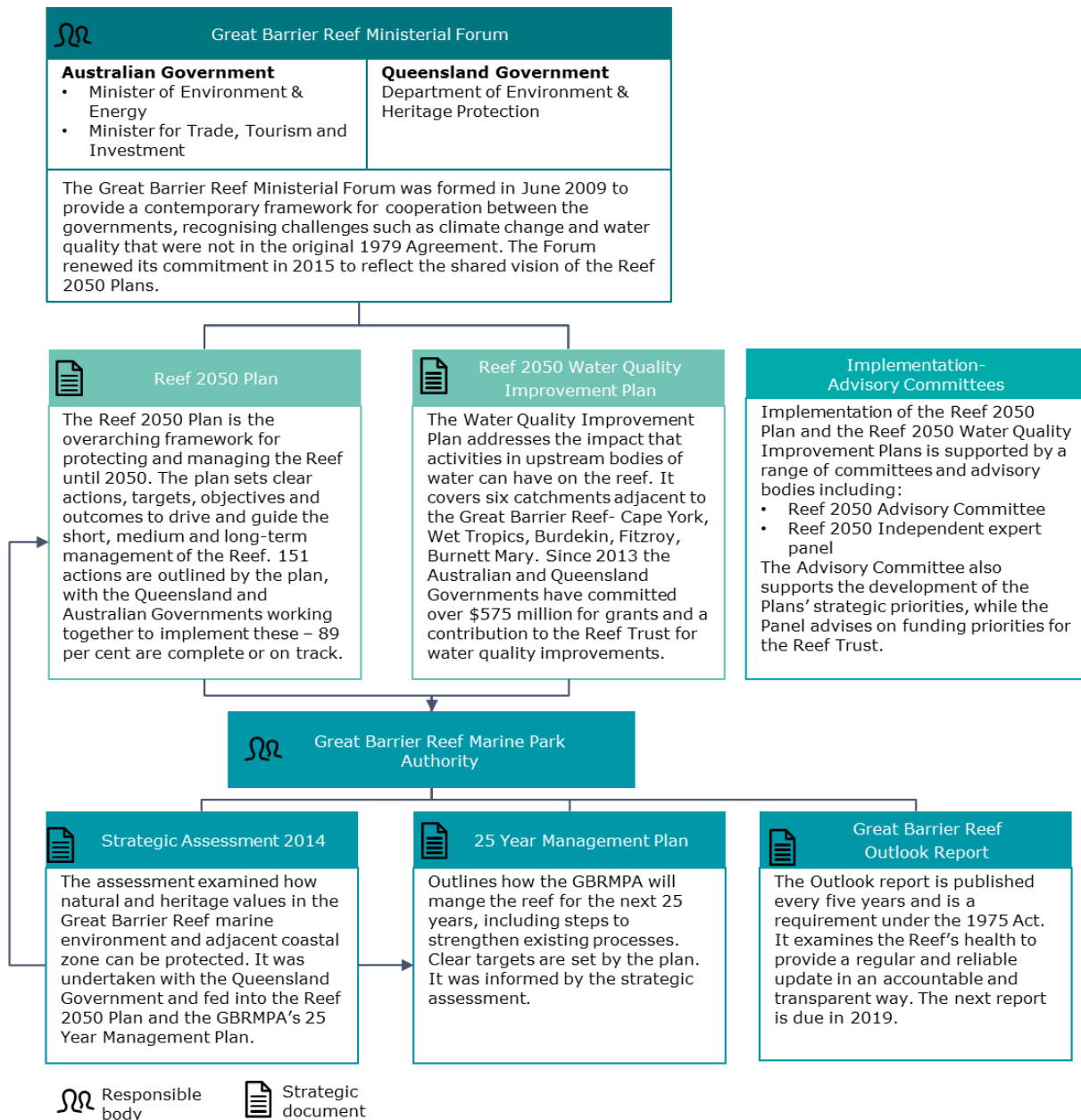
- The marine committees involve local communities and stakeholders.
- The two Reef 2050 committees advise the board on identified issues in the Great Barrier Reef Region Strategic Assessment Report, Program Report and the Authority's own Outlook Report.

The current long term strategic planning and management of the reef is guided by the following major documents:

- Reef 2050 Long Term Sustainability Plan (Reef 2050 Plan)
- Reef 2050 Water Quality Improvement Plan
- 2014 Strategic assessment
- 25 Year Management plan
- Outlook Report

Figure 4 provides an overview including the main aim of each report and the body responsible for producing the report.

Figure 4 Strategic documents supporting the long-term health of the Reef



Source: (Deloitte Access Economics, 2018)

1. Great Barrier Reef Ministerial Forum: The Forum is responsible for the environment and marine parks, science, tourism and/or natural resource management and implements the Intergovernmental Agreement.

The Forum published the Reef 2050 and Reef 2050 Water Quality Improvement Plans (under the 2009 agreement).

Management of activities outside of the Marine Park

Given the interconnectedness of the reef system with the coastal ecosystem and inland river systems, activities on upstream land and waterways that impact upon the reef often occur outside the Marine Park's jurisdiction. These lands and waterways fall under the management of both the Federal and Queensland Government. Both tiers of government have a number of general acts that restrict land use to help protect the immediate effects on land from poor management or dangerous practices and to prevent the negative externalities caused downstream. In 2013 the Queensland Government developed its Water Quality Protection Plan to specifically prevent the negative externalities caused downstream in Reef Catchments. The plan set water quality improvement targets for 2025. Its scope was expanded in 2017 to addresses all land-based sources of water pollution to become the Reef 2050 Water Quality Improvement Plan.

Funding and revenue generating arrangements

Across governments, industry and the community, more than \$1.2 billion has already been committed for the five years to 2021 for projects focused solely on delivering actions in the Reef 2050 Plan.

The Reef 2050 Plan is supported by a robust investment framework that¹⁰:

1. Establishes current investments in Reef protection
2. Determines investment priorities for the future
3. Sets out a strategy for boosting investment and diversifying its sources.

The aim of the Framework is to channel new investment toward identified priorities and to inform the use of regulatory and policy levers that, along with investment, are critical tools to support the achievement of priority projects.

One such lever is the Reef Trust, which was established in September 2014 by the Australian Government¹¹ in conjunction with the Queensland Government and the Great Barrier Reef Marine Park Authority. The Trust was set up with an initial federal government contribution of \$260 million.

The Reef Trust

The Trust funds priority projects on the Great Barrier Reef. The objective of the Trust is to deliver funding to projects focused on improving water quality, restoring coastal ecosystem health, address threats, and protect, repair and mitigate damage to the Great Barrier Reef World Heritage Area.

To support the trust in its objective is a joint steering committee, the Reef 2050 Advisory Committee and the Reef 2050 Independent Expert Panel. The governance and administration structure of the trust is outlined in Figure 5.

The selection of projects by the Trust is guided by the Reef 2050 Plan and the Reef 2050 Water Quality Improvement Plan and are delivered by experienced partners. Delivery partners must report to the Reef Trust on a project's performance every six months and take an adaptive approach to managing the delivery of the project.¹²

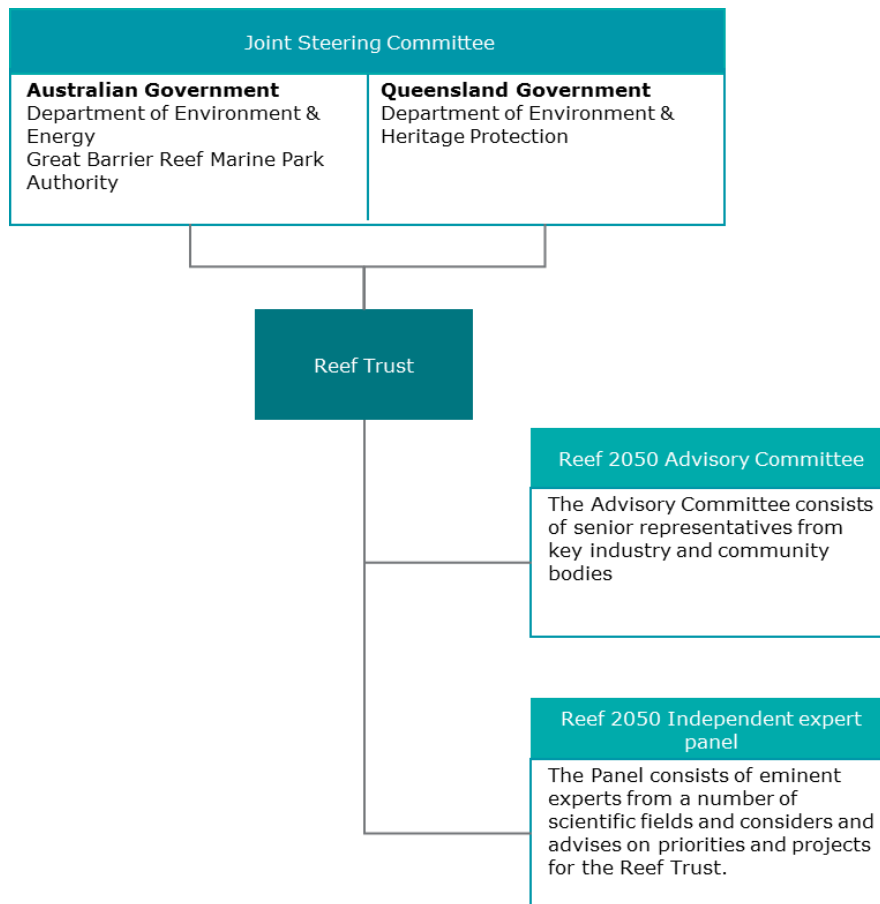
The Reef Trust has strict financial accountability and reporting requirements. Investment is undertaken in accordance with the Public Governance, Performance and Accountability Act 2013, Commonwealth Grant Rules and Guidelines, Commonwealth Procurement Rules and Guidelines for the Management of Special Accounts.

¹⁰ (Department of Environment and Energy (Commonwealth), 2016)

¹¹ Reef Trust Special Account 2014 Determination 01 under the section 78 of the Public Governance, Performance and Accountability Act 2013.

¹² (Reef Trust Governance and Administration , September 2016)

Figure 5 Reef Trust - Governance and Administration



Source: (Reef Trust Governance and Administration , September 2016)

1. **Joint Steering Committee:** The Joint Steering Committee provides oversight and advice on the delivery of the Reef Trust, development of investment strategies and delivery and implementation of Reef Trust projects.
2. **Reef 2025 Advisory Committee:** The Reef 2050 Advisory Committee is also utilised by the Reef Trust to facilitate engagement with the broader community and industry and provide strategic advice on the implementation of the Reef 2050 Plan, including the Reef Trust.
3. **Reef 2050 Independent expert panel:** Provides independent expert advice on Reef Trust funding priorities and projects.

Table 3 provides a summary of the governance responsibilities for the Great Barrier Reef for each level of government and the private sector.

Table 3 Overview of governance responsibilities

| | Strategy setting | Regulation | Coordination | Strategy delivery | Funding |
|--------------------|------------------|------------|--------------|-------------------|---------|
| Overarching body | ● | ● | ● | ● | |
| Federal Government | ● | ● | ● | | ● |
| State Government | ● | ● | ● | | ● |
| Local Government | | | | | |
| Private Sector | | | | ● | ● |

Environmental Management Charge

GBRMPA levies an environmental management charge on most commercial activities within the reef to support its operational duties. Tourism operators, non-tourist charter operations, and facilities operated under a permit issued by the GBRMPA are liable for the charge. The charge for full day visitors is \$6.50 and part day visitors \$3.25. Semi-submersible and glass-bottomed boat excursions and scenic flights collect a fee of 40 cents per visitor per excursion.¹³

Other operations within the Park including hire of equipment, installation and operation of tourist facilities, underwater observatories, sewage outfalls and vending operations pay a fixed quarterly charge. The charge varies for each activity and ranges from \$12 for non-motorised beach equipment operators with fewer than six pieces through to \$500 for the first 10 hectares of mariculture operations, such as pearl farms.

Private sector investment

Attracting private sector investment that responds to the Reef's conservation concerns while addressing the opportunity for economic growth is challenging. There are two main pathways for private investment into the Reef and the undertaking of commercial operations:

1. Standard investment channels: While private investors may raise money, how they spend the money in or around the Reef is subject to strict statutory planning controls. The Great Barrier Reef Marine Park has seven planning zones that outline what activities are permitted and forbidden in each area of the park, including activities that require a permit:
 - General use zone
 - Habitat protection zone
 - Conservation park zone
 - Buffer zone
 - Scientific research zone
 - Marine National Park Zone
 - Preservation Zone

Investment relating to coastal development (including buildings, vegetation alterations, other built structures) is subject to local land use laws (statutory planning controls) but also planning overlays implemented by the State Government including measures to protect wetlands that flow into the Great Barrier Reef Catchment System.¹⁴

¹³ (Great Barrier Reef Marine Park Authority, 2016)

¹⁴ (Department of Environment and Protection (Qld), July 2017)

2. Partnerships with the Reef Trust: The Reef Trust explores opportunities to partner with the private sector to achieve its conservation goals. Proposals from both individuals and organisations from industry and the finance, corporate, philanthropic, natural resource management, community and environmental sectors for projects to enhance Reef conservation are welcomed. Ideally projects will bring forward co-investment with a project value of \$2 million or more.¹⁵ Other commercial ventures are not considered.

Governance Review

An independent review examining the GBRMPA governance structure was announced by the Minister for the Environment on 7 March 2017 with the final report published on 30 November 2017. A series of 24 recommendations were made with the Australian Government committing to implement the full suite of recommendations. None of the recommendations suggested a dramatic change to the current governance arrangements of the GBRMPA. Rather, the recommendations largely related to redefining and or strengthening existing arrangements relating to:

- The scope of the role of The Chairman / CEO of the Board (3, 4, 5, 22);
- Selection process for new board members (6, 9, 10, 12, 13) and tenure for existing (11), including appointing an additional two board members (10)
- The structure of advisory committees. Existing committees should be updated regularly to ensure the board receives the most up to date advice (23) while the board should consider developing a broad based stakeholder committee to advise on matters relating to the management of the Marine Park (24)
- Conflict of interest processes (13, 20).

Other recommendations included:

- The board should consider meeting more frequently (15)
- The board should implement a performance review process (16) that aligns with a new charter (18) The governor general should have the power to terminate board members if they do not meet the performance standards set (17)
- Senior management capacity should be enhanced and clear responsibilities and reporting lines set (19, 21, 22)
- Induction processes for the board should be formalised (14).

Some of the recommendations (1, 7, 8, 10) also confirmed that the existing structure should be retained. Recommendation 2 was for the Ministers and recommended joint statements from the Australian and Queensland Government.

¹⁵ (Department of Environment and Energy (Commonwealth), n.d.)

Milford Sound



Milford Sound

- Milford Sound is a destination 15 kilometres inland within the Southland region on the South island of New Zealand. Notable attractions include:
 - Peaks: the Elephant and the Lion
 - Waterfalls: Lady Bowen Falls and Stirling Falls
- Milford Sound attracts approximately 875,000 visitors per annum, making it one of New Zealand's most-visited tourist spots. There is limited accommodation at Milford Sound, and only a very small percentage of tourists stay more than the day.
- While there are a number of travel options for getting to Milford Sound including boat, air or road, the vast majority arrive by road and there is only one road providing access.
- There is abundant wildlife observation and conservation. Cruises and walking tracks allow visitors to experience wildlife in their natural habitat. However, the focus is on conservation of native animals and plants. Many of the plant and animal species in Milford Sound can only be found in the Fiordland region due to its remote location and the damp wet weather.
- There are a number of travel options for getting to Milford Sound including boat, air or road; however, the majority arrive by road and there is only one road providing access.
- Milford Sound is a UNESCO World Heritage site.
- In 2016, the Department of Conservation and Southland District Council jointly set out to oversee a set of governance arrangements that would institute a process to manage the strategic planning of the Southland region (including Milford Sound) as well as the ongoing management of key assets and areas such as Milford Sound. The overseeing entity that was established to drive this was the Southland Regional Development Strategy (SoRDS) Governance Group.
- As Milford Sound was identified in the Action Plan as significant for the Southland region visitor economy, the SoRDS Governance Group established the Milford Opportunities Governance Group to specifically drive local visitor economy SoRDS actions. The two governance bodies now sit alongside each other as complementary strategic planning entities.

Context and history

Milford Sound is located 118 kilometres from the town of Te Anau on the south west coast of New Zealand's South Island. It runs 15 kilometres inland from the Tasman Sea at Dale Point (the mouth of the fiord), and is surrounded by sheer rock faces that rise 1,200 metres or more on either side. Among the peaks are The Elephant at 1,517 metres and The Lion at 1,302 metres.

Milford Sound sits within Fiordland National Park. The park is part of Te Wahipounamu, a UNESCO World Heritage site. Milford Sound is the key attraction of Fiordland National Park, drawing over 875,000 tourists in the year to June 2017. Visitor numbers to Milford Sound are predicted to exceed 1 million by 2019 — more than double 2012 visitation levels of 457,000¹⁶.



Despite its name, Milford Sound is actually a fiord, not a sound. It is also the only fiord in New Zealand that is accessible by road. However, its remote location, bounded by steep cliffs and dense rainforest, means its special features remain unspoilt.

Milford Sound sports two permanent waterfalls, Lady Bowen Falls and Stirling Falls. After heavy rain, temporary waterfalls run down the steep sided rock faces that line the fiord. Accumulated rainwater can cause portions of the rainforest to lose their grip on the sheer cliff faces, resulting in tree avalanches into Milford Sound.

Challenges and opportunities faced by Milford Sound

Increased visitor numbers to Milford Sound have created a number of challenges and opportunities that the Sound needs to overcome.

| Challenge / opportunity | Description |
|------------------------------------|---|
| Daily visitors only | Despite its popularity, most of Milford Sound's patronage consists of daily visitors. Tourists visiting the Southland region of New Zealand travel on average 156 kilometres per day ¹⁷ . Many of these tourists travel from Queenstown (287 kilometres) or Te Anau (118 kilometres). Milford Sound's high visitation is a great opportunity but low yield of daily visitors is a key challenge. |
| Traffic congestion and road safety | <p>Accompanying the rapid increase in patronage over the last five years is a 30 per cent jump in traffic volumes¹⁸, leading to congestion and other traffic problems along the Milford Road (State Highway 94). This is the sole road in and out of the Sound and is shared by cars, campervans, coaches and minibuses, with variable speeds along the road common due to inexperienced road users and changeable weather conditions. The long distance to Milford Sound means that tourist operators and self-drivers from Queenstown all depart very early in the day, arriving back only late in the evening. This means that most tourists visit Milford Sound within a few hours around midday, leading to congestion on the roads and at the tourist facilities during the main season.</p> <p>The New Zealand Traffic Authority (NZTA) estimates that 85 percent of drivers on the Milford Sound Road are tourists —</p> |

¹⁶ (Harding, 2017)

¹⁷ (Venture Southland, 2018)

¹⁸ From 2015 to 2016: (Harding, 2017)

| Challenge / opportunity | Description |
|-------------------------------------|--|
| | <p>either domestic or international. While the road is well maintained, it is nevertheless a challenging and, in places, narrow and winding drive.</p> <p>Road conditions are monitored by the Department of Conservation (DoC) with the road status listed on signage throughout the National Park, the NZTA's website and an information kiosk 8 kilometres north of Te Anau¹⁹.</p> <p>The journey can take far longer than the distance suggests which can lead to fatigue and unsafe driving habits²⁰. Other risks include rain, snow, ice, flooding and avalanches and it is not uncommon for the road to be closed at short notice due to inclement weather or a traffic incident. While the Southland Region does not record a higher number of road fatalities relative to other regions in New Zealand²¹, the share of international drivers involved in all crashes is higher in the Southland district, at 23 percent compared to 4.1 per cent nationwide between 2012-2016²².</p> <p>DoC advises an eight-hour day is needed from Te Anau, while visitors should expect the trip from Queenstown to take 12 to 14 hours. Due to the long travel times, challenging road conditions and variable weather, the DoC, NZTA, New Zealand Tourism and Drive Safe New Zealand all recommend visitors take a coach to the Sound rather than self-drive.</p> <p>Despite this consistent message, traffic data from the Homer Tunnel indicates that light vehicle volumes (associated with self-drivers) are increasing. In 2013 124,000 vehicles passed through the Homer Tunnel, with 23,560 (19%) of those heavy vehicles or buses, while in 2016 this share had slipped to 18% or 29,520 out of a total 164,000 vehicles.²³ With an increase in self-drivers across the country, the Visiting Drivers Project was launched — a collaboration between the NZTA and tourism associations to ensure road safety for international drivers²⁴. Initiatives include online training for travel agents, road safety pamphlets with visas, multilingual driver safety videos (played on international flights) and a Drive Safe website.</p> |
| Infrastructure and public amenities | <p>Increasing visitor numbers also presents challenges to the existing infrastructure, including toilet facilities. Chinese New Year is a notably busy period for the natural icon, with New Zealand's Department of Conservation having to operate overflow carparks in recent years. Additionally, there are a number of mobile coverage issues in the region. The Mobile</p> |

¹⁹ (New Zealand Transport Authority, 2018)

²⁰ (Tourism New Zealand, n.d.); (Nicholl, 2017)

²¹ 4.9% (16 deaths) of the 1500 national road fatalities occurred in the Southland region in 2016 compared to the top three fatality regions Waikato (24.2%), Auckland (14.1%) and Canterbury (10.4%). Conversely, Gisborne and the West Coast are the lowest at 1.2% (4 deaths). (New Zealand Transport Authority, 2018)

²² (New Zealand Ministry of Transport, September 2017)

²³ (Nicholl, 2017)

²⁴ The number of crashes involving international tourists across the country has remained steady over the last 10 years despite an increase in international tourism numbers of 45%. (New Zealand Ministry of Transport, September 2017)

| Challenge / opportunity | Description |
|------------------------------|--|
| | Black Spot Fund has been created to address this and expand coverage to include Milford Sound ²⁵ . |
| Multiple management entities | There are several entities involved in the management of the Southland region (and Milford Sound). Streamlining and establishing a coherent strategic plan for the area has been identified as an immediate challenge that is currently being addressed through new governance arrangements. |
| Funding | <p>It is hoped these new governance arrangements will be supported by government funding that will provide a project manager and planning work for the next 15 to 20 years for Milford Sound. It is expected that the Department of Conservation will provide some funding; however, it also hopeful that funding will come from the central government as the whole of New Zealand will benefit from the business tourism brought to the country. There is an opportunity for Southland, Central Otago and the rest of the country to increase economic returns from visitors to Milford Sound and Fiordland National Park.</p> <p>Additionally, the majority of local council funding comes from residential council rates. However, the large number of visitors relative to local residents is putting pressure on the abilities of the local councils to fund infrastructure maintenance required due to increasing pressures from tourism.</p> |
| Strong resource management | Milford Sound has established very strong resource management through the Resource Management Act. The Act ensures mechanisms are in place to protect Milford Sound's environment and covers both publically owned and privately owned land. |

Overview of governance arrangements

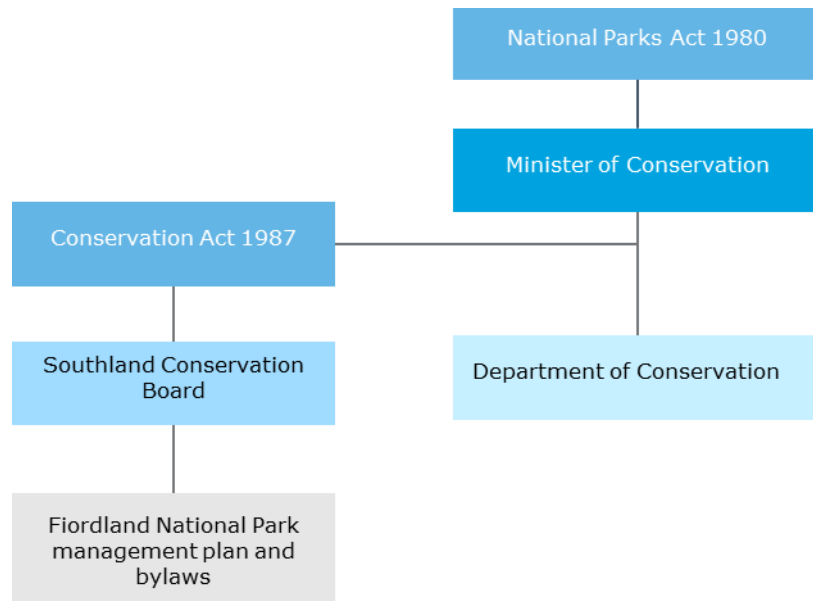
The visitor economy has been identified as a central pillar to the economic success of the broader Southland region of New Zealand, including Milford Sound. Given the challenges and opportunities mentioned above in the visitor economy surrounding Milford Sound, the region commenced a governance reform process in 2017.

The *National Parks Act 1980* is the key legislation that sets out the legal and regulatory management of Fiordland National Park. Milford Sound sits within Fiordland National Park. The Minister of Conservation is charged with responsibility for this Act and delegates its responsibility to The Department of Conservation. This legislation is supported by the Fiordland National Park management plan and Fiordland National Park bylaws. Additionally, the *Conservation Act 1987* sets out responsibility to formulate policy specific to Fiordland National Park. Responsibility under this Act has been delegated to the Southland Conservation Board.²⁶

²⁵ (Pullar-Strecker, 2017)

²⁶ (Department of Conservation, June 2007)

Figure 6: Overview of Milford Sound legislation



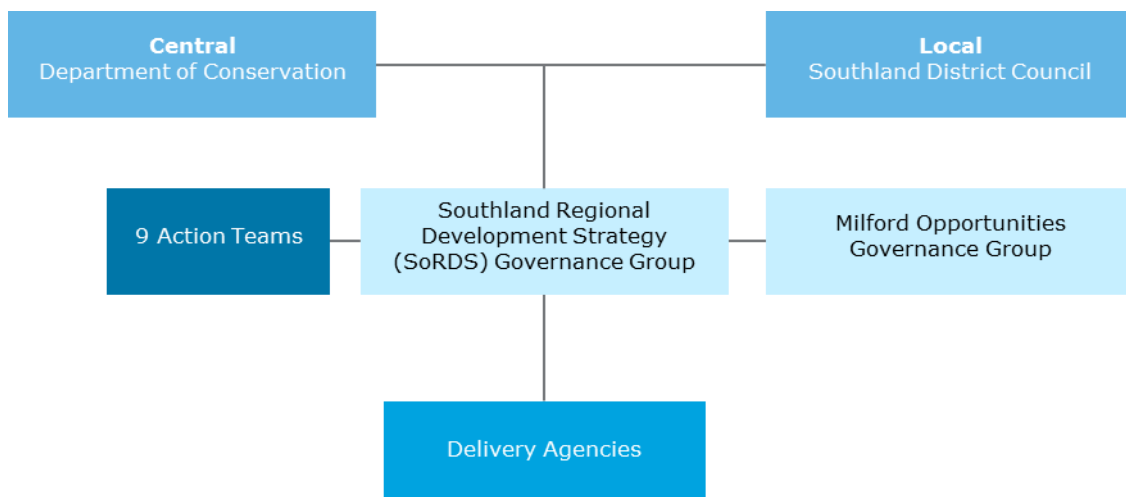
In 2016, the Department of Conservation and Southland District Council jointly set out to oversee a new governance arrangement for the Southland region (including Milford Sound). The overseeing entity that was established to drive this was the Southland Regional Development Strategy (SoRDS) Governance Group.

Although the SoRDS Governance Group has overall responsibility for strategic planning, it commenced an inclusive and consultative process, ensuring representation of community issues and priorities. The Governance Group noted this structure was highly successful in delivering targeted and well-researched inputs to the Action Plan.

As Milford Sound was identified in the Action Plan as significant for the Southland visitor economy, the SoRDS Governance Group established the Milford Opportunities Governance Group to specifically drive local visitor economy SoRDS actions. The two governance bodies now sit alongside each other as complementary strategic planning entities.

Figure 7 provides an overview of these governance arrangements described above. A more specific description of each governing entity involved is provided below.

Figure 7: Overview of Southland District governance arrangements (including Milford Sound)

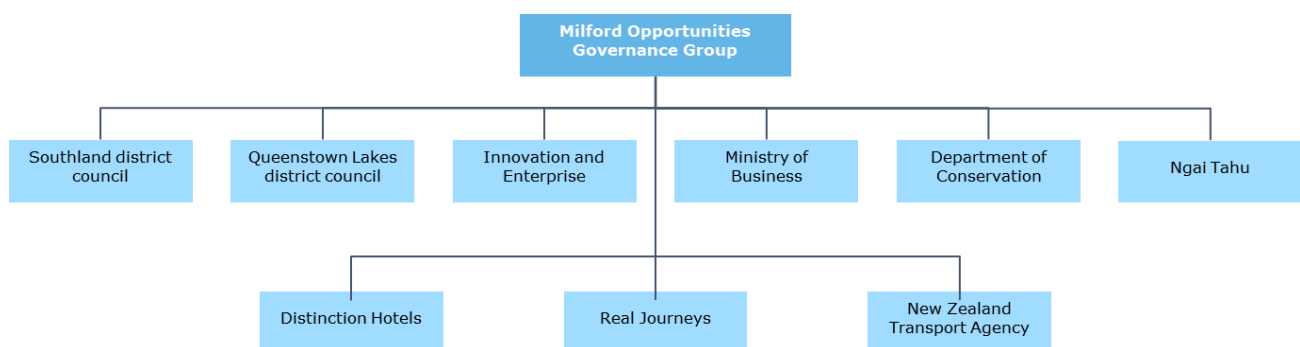


1. New Zealand's Department of Conservation: The over-arching federal government agency charged with conserving New Zealand's natural and historic heritage.

The New Zealand Traffic Authority (NZTA) is an agency of the DoC and manages road surface conditions and safety in the Sound in partnership with Downer NZ²⁷. This includes avalanche control, incident response, managing the Homer Tunnel, general maintenance of the route and managing the road open status.

2. Southland District Council: Responsible for representing the Southland district, developing and approving Council policy, deciding on expenditure and funding requirements, monitoring Council performance and employing the chief executive.
3. Southland Conservation Board: Conservation boards are independent bodies, established by the *Conservation Act 1987*. Each board represents the public interest in the work of the Department of Conservation, and conservation in general, within the area of jurisdiction of that board. E.g. Southland district.
4. Southland Regional Development Strategy (SoRDS) Governance Group: The SoRDS Governance Group was established to develop the Southland Regional Development Strategy Action Plan as part of a three-pronged approach to diversify the regional economy. The Plan focuses on driving population growth, economic growth and greater social diversity within the three councils of the Southland region.
5. Nine Action teams: Nine representative Action Teams were used for consultation and engagement. Over 100 volunteers made up these action teams and provided an opportunity for the community to participate and contribute to the future strategic planning of their region.
6. Milford Opportunities Governance Group: The Milford Opportunities Governance Group's role is to provide strategic direction and leadership around visitor economy opportunities for Milford, within the principles set out in the SoRDS Action Plan. This includes managing growing visitation, maintaining a quality experience for visitors, upholding conservation values and adding value to the Southland region of New Zealand.

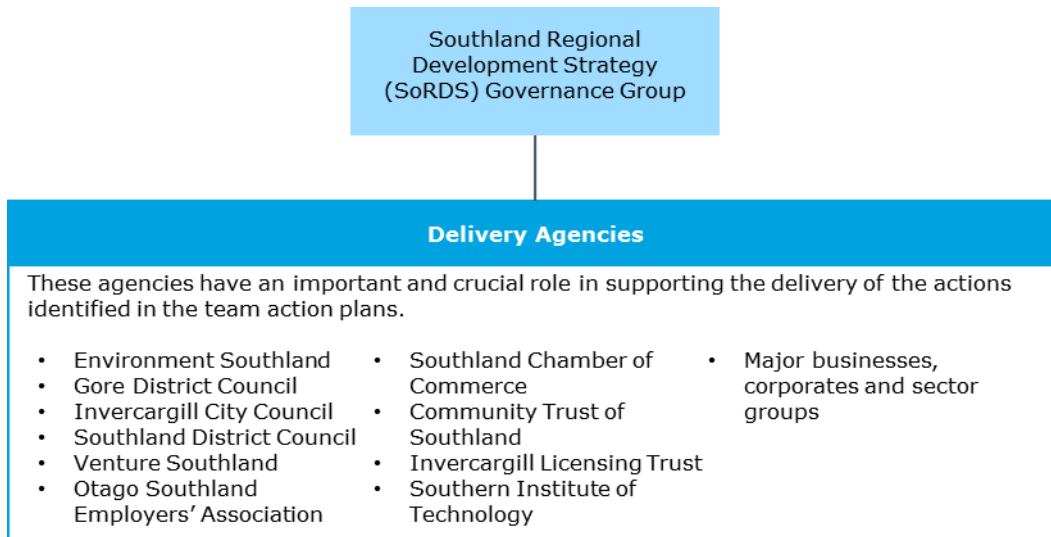
Figure 8: Milford Opportunities Governance Group



²⁷ Downer NZ are a private company that maintain road surfaces in New Zealand and Australia.

Strategic management overview of Milford Sound

Figure 9: Management and implementation of SoRDS Action Plan



Ongoing management and implementation of the recommended actions from the SoRDS Action Plan is the responsibility of councils and existing delivery agencies (see Figure 9 above). These entities now have greater clarity on the priorities of the region and their responsibility in delivering on these priorities. Guidance is provided by the following principles²⁸:

- Whole of region focus
- Simplicity, including “minimising the number of organisations involved so that accountabilities are clear”²⁹
- Partnership between public and private entities
- Clarity of purpose
- Economic, social, cultural and environmental dimensions are all considered
- Resilience is formed through enduring structures that will support the programme
- Any implemented structures have stature locally and nationally

Lastly, Table 4 provides a summary of the governance responsibilities for the management of Milford Sound including any role for private organisations.

Table 4 Overview of governance responsibilities

| | Strategy setting | Regulation | Coordination | Strategy delivery | Funding |
|--------------------|------------------|------------|--------------|-------------------|---------|
| Overarching body | ● | ● | ● | ● | ● |
| Central Government | ● | ● | ● | ● | ● |
| Local Government | ● | ● | ● | ● | ● |
| Private Sector | ● | ● | ● | ● | ● |

²⁸ (SoRDS, 2015)

²⁹ (SoRDS, 2015, p. 84)

Big Sur



Big Sur

- Big Sur is a lightly populated, unincorporated region on California's Central Coast that is known for its rugged coastline and mountain views.
- The stunning views make Big Sur a popular global tourist destination, attracting between 4 to 5 million visitors each year.
- Big Sur is traversed by a narrow, two lane state route, known as Highway 1, which is known for its seaside cliff and coastline views.
- Increased visitor numbers are putting pressure on the region's amenities and services. Additionally, the number of visitors coming to Big Sur on an annual basis has led to ongoing traffic congestion and parking issues, especially during the summer months and American holiday weekends.
- Since the introduction of smart phones and social media, the popularity of Big Sur has dramatically increased and there have been reports of tourists leaving their vehicle in the middle of Highway 1 to take pictures.
- Highway 1 has been closed more than 55 times by landslides.
- The current governance arrangement in Big Sur is a very siloed approach between three levels; federal, state and local agencies. Each level has their own individual responsibilities and manage themselves. Strategic planning and service delivery do not overlap between the three levels of governing agencies.
- Broadly, the federal government is responsible for coastal management, forests and parks, the state government is responsible for parks and road legislation, and the local government is responsible for environmental preservation and base maintenance. There is some shared responsibility between federal and state for park administration.

Context and history

Big Sur is a lightly populated, unincorporated region on California's Central Coast that is known for its rugged coastline and mountain views, where the Santa Lucia Mountains rise abruptly from the Pacific Ocean. The coast is the longest and most scenic stretch of undeveloped coastline in the United States.³⁰ The stunning views make Big Sur a popular global tourist destination, attracting between 4 to 5 million visitors each year.

Big Sur is not an incorporated town, but an area without formal boundaries. Most current descriptions of the area refer to Malpas Creek in Monterey County as the northern border. The southern border is recognised to be San Carpóforo Creek in San Luis Obispo County

The inland region is uninhabited, while the coast remains relatively isolated and sparsely populated with about 1,000 year-round residents and limited accommodation between the four small settlements.

In the early twentieth century, visitors were largely attracted to Big Sur by the adventure experiences that were on offer. However, the modern day visitor experience is focused on travelling along Highway 1 coastal route. Big Sur has become a destination for travellers both within the United States and internationally.



Big Sur

Challenges and opportunities faced by Big Sur

Increased awareness and popularity of Big Sur has created a number of challenges and opportunities for the region.

| Challenge / opportunity | Description |
|---------------------------|---|
| Increased visitor numbers | Most of the 4 to 5 million tourists who currently visit Big Sur each year never explore beyond Highway 1. This is due to the Santa Lucia Range, which is one of the largest roadless areas near a coast in the entire United States. The Santa Lucia Range lies adjacent to Highway 1 detracting from car travellers turning off the coastal route. There are few parking spots along Highway 1 and there are no existing shuttle services that run along or operate on Big Sur. |
| Traffic congestion | <p>The number of visitors coming to Big Sur on an annual basis has led to ongoing traffic congestion and parking issues, especially during the summer months and American holiday weekends. The natural landscape and engineering of Highway 1 – narrow, steep, and no shoulders, places a limitation on car turnouts and passing spots.</p> <p>Additionally, due to the introduction of smart phones and social media, the popularity of certain Big Sur attractions like Bixby Creek Bridge, Pfeiffer Beach, McWay Falls, and the Pine Ridge Trail have dramatically increased and therefore traffic congestion</p> |

³⁰ (Marvinney, 1984)

| Challenge / opportunity | Description |
|---------------------------------|---|
| | <p>around these sites has increased. As an example, in 2016, the average daily vehicle count at the Big Sur River Bridge was 6,500, a 13% increase from 5,700 in 2011. An average daily vehicle count of 6,500 translates to 2.3 million vehicles per year.³¹</p> <p>Parking is extremely difficult. Some locations have limited parking, and visitors' park on the shoulder of Highway 1, sometimes leaving inadequate space for passing vehicles. There have been reports of tourists leaving their vehicle in the middle of Highway 1 to take pictures.</p> |
| Limited public amenities | There are very few public restrooms along the coastline of Highway 1. Businesses report that the large number of visitors using their bathroom has overwhelmed their septic systems. Additionally, local residents complain that visitors regularly defecate along Highway 1. |
| Limited mobile service | Due to the remoteness of the Big Sur region, there is limited or no mobile phone service along much of the highway. |
| Bushfires and climatic events | In July 2016, the Soberanes bushfire forced residents east of Highway 1 to evacuate. Highway 1 was shut down at intervals over several days to allow firefighters to conduct backfire operations. Visitors avoided the area and tourism revenue was impacted for several weeks. |
| Coastal management | Highway 1 has been closed more than 55 times by landslides. In May 2017, a 2 million cubic foot landslide blocked the highway at Mud Creek, north of Salmon Creek near the San Luis Obispo border, to just south of Gorda. This section of the road is expected to be reopened in June 2018. |
| Limited accommodation available | The land use restrictions that preserve Big Sur's natural beauty also mean visitor accommodation is limited, often expensive, and places to stay fill up quickly during the busy summer season. |

Overview of governance arrangements

The ownership of the land encompassing Big Sur is a mixture of private land holdings and public land (mix of state parks and federal land). Consequently, a number of entities play some role in managing the region, including the California State Department of Parks and Recreation, City of Monterey, U.S. Forest Service, U.S. Army, U.S. Coast Guard, the Big Sur Land Trust, and the University of California.

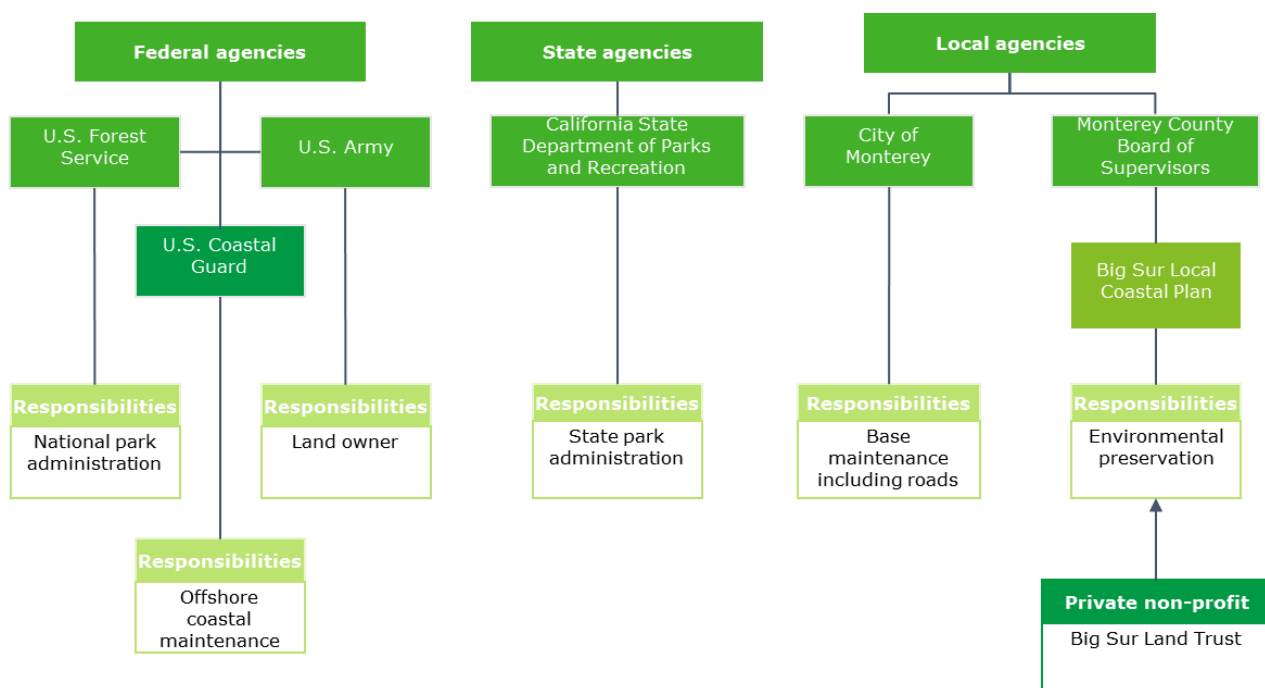
The surrounding roads, including Highway 1, are bound by State of California legislation. In 1976, the state legislature limited the road along the Big Sur coast to two lanes. Federal legislation of Big Sur has been proposed in the past to try to enable a bigger picture view of the region. However, all of these proposals have been strongly opposed by county officials, local residents, and property owners. The offshore region of the Big Sur coast is a marine protected area under the Monterey Bay National Marine Sanctuary, a federal agency.

³¹ (Caltrans, 2016)

Approximately two-thirds of the Big Sur coastal area is preserved under various federal, state, county, and private arrangements, and does not allow any development. The region is protected by the Big Sur Local Coastal Plan, which preserves the region as "open space, a small residential community, and agricultural ranching." The Plan, approved by Monterey County Supervisors in 1981, states 'the region is meant to be an experience that visitors transit through, not a destination'. The intent of this Plan makes further investment in visitor attractions and accommodation difficult, as the Plan aspires to keep the region as a transitional visitor experience. In addition to the Local Coastal Plan, the Big Sur Land Trust, a private non-profit located in Monterey, California, has played an instrumental role in preserving land in California's Big Sur and Central Coast region.

Figure 10 provides an overview of these governance arrangements described above. A more specific description of each governing entity involved is provided below.

Figure 10: Overview of governance arrangements.



Following is a brief description of the responsibilities of each role detailed in Figure 10.

1. **California State Department of Parks and Recreation:** The Californian Department of Parks and Recreation, also known as California State Parks, manages the Californian state parks system. They are responsible for Big Sur and the surrounding region's park administration.
2. **City of Monterey:** The City of Monterey provides base maintenance support including streets, parks, and building maintenance. Additional support services include traffic engineering, inspections, construction engineering and project management.
3. **U.S. Forest Service:** The United States Forest Service is a federal agency that administers the United States' national forests and grasslands.
4. **U.S. Army:** Fort Hunter Liggett is an army base located in Southern Monterey Country, California. It is the largest reserve command post in the country, with over 165,000 acres of land. The army base has been involved with several trades with the U.S. Forest Service, donating land to Los Padres National Forest.
5. **U.S. Coast Guard:** The United States Coast Guard is a branch of the United States Armed Forces and a federal regulatory agency. The U.S. Coast Guard has roles in maritime homeland security, maritime

law enforcement (MLE), search and rescue (SAR), marine environmental protection (MEP), the maintenance of river, intracoastal and offshore aids to navigation (ATON).

6. Big Sur Land Trust: The Big Sur Land Trust is a private non-profit located in Monterey, California that has played an instrumental role in preserving land in California's Big Sur and Central Coast regions.
7. University of California: In the centre of the Big Sur region, the University of California operates two adjacent reserves, Landels-Hill Big Creek Reserve and Big Creek Marine Ecological Reserve. At these sites the primary mission of the University is to provide, on a long-term basis, a "window" for studies of wilderness lands and wilderness marine waters. The combination of wilderness and program are unique, and the reserve continues to make important contributions to our knowledge of wild coastal ecosystems.³²

Lastly, Table 5 provides a summary of the governance responsibilities for the management of Big Sur including the role of the private sector, including private organisations.

Table 5: Overview of governance responsibilities.

| | Strategy setting | Regulation | Coordination | Strategy delivery | Funding |
|---------------------|------------------|------------|--------------|-------------------|---------|
| Overarching body | ● | ● | ● | | ● |
| National Government | | ● | | | |
| Regional Government | | | ● | | |
| Local Government | | | ● | ● | ● |
| Private Sector | | | | ● | ● |

³² (Big Sur Chamber of Commerce, n.d.)

Cinque Terre



Cinque Terre

- Cinque Terre is a region in northern Italy comprising five villages: Monterosso al Mare, Vernazza, Corniglia, Manarola, and Riomaggiore.
- The coastline, the five villages, and the surrounding hillsides are all part of the Cinque Terre National Park, created in 1999. The area was listed as a UNESCO World Heritage Site in 1997.
- Cars were banned over a decade ago however Cinque Terre is highly accessible by train.
- As a tourist destination, the Cinque Terre region attracts more than 2.5 million visitors annually, with most drawn to the region by the landscape, vistas and coastal hiking trails — regarded as some of the best in the world.
- High visitor numbers are putting pressure on the town's services, amenities and coastal environment.
- Preservation of the area has been a strategic priority since 1998 when the Italian Ministry for the Environment set up the Protected Natural Marine Area Cinque Terre to protect the natural environment and to promote socio-economic development compatible with the natural landscape of the area.
- In 1999, the Parco Nazionale delle Cinque Terre (the Cinque Terre National Park Authority) was created to conserve the ecological balance, protect the landscape, and safeguard the anthropological values of the location.
- The Park Authority is a statutory authority that has sole management of the park including the responsibilities of the Ministry of Environment, which has discharged its responsibilities to the president of the Park.
- The Park Community (i.e. the local village governments) act as an advisory body to the Park Authority and its Governing Council. The Park Community is also responsible for electing the representatives of the Park Authority's Governing Council.

Context and history

Cinque Terre is a region in northern Italy between Geno and Pisa. The region comprises five villages that hug its cliff tops; Monterosso al Mare, Vernazza, Corniglia, Manarola, and Riomaggiore. Cinque Terre is home to around 4,000 residents; however, the region draws many visitors— attracting 2.5 million visitors in 2015.

There are no roads into the centre of the villages and therefore no access by car. Rather, most tourists arrive inland via train or aboard boats —and increasingly cruise ships— via the Ligurian Sea. Hiking trails and intercity trains also connect the five villages.

The main attractions of Cinque Terre are the landscape, vista, fauna and flora. Mediterranean herbs and trees grow spontaneously from the top of the hills down to the water level. Visitors can enjoy the scenery and walk through the towns (or between them). Cinque Terre boasts some of the best coastline hiking trails in the world.

The area, including the five villages and surrounding hillside, was listed as a UNESCO World Heritage Site in 1997³³. The Cinque Terre National Park was created in 1999.



Challenges and opportunities for the Cinque Terre

Increased visitor numbers, as well as social and environmental pressures on Cinque Terre, pose challenges and opportunities for the region.

| Challenge / opportunity | Description |
|----------------------------------|---|
| Managing high visitor congestion | The towns are grappling with how to manage the dramatic influx of visitors over the summer months. The Cinque Terre region attracted 2.5 million visitors in 2015 — a figure that is growing each year. There are only 3,000 beds of formal accommodation available in the region, meaning the majority of visitors to the region each day are day-trippers. |
| Services and amenities | Increasing visitor numbers also pose a challenge to the existing services and amenities in the region, including toilet facilities and accommodation. The region's government has previously planned to introduce a cap on visitor numbers to Cinque Terre to help address these pressures, although the government has never introduced or enforced any caps on visitor numbers. |
| Coastal management | Cinque Terre is an area prone to landslips and landslides. Not only does the swell of visitors put pressure on the towns and their services, but also the fragile cliff top paths between the cities, which are a key tourist attraction. These are suffering erosion from the high foot traffic. |

³³ Once a country signs the World Heritage Convention, and has sites inscribed on the World Heritage List, the resulting prestige often helps raise awareness among citizens and governments for heritage preservation. Greater awareness leads to a general rise in the level of the protection and conservation given to heritage properties. A country may also receive financial assistance and expert advice from the World Heritage Committee to support activities for the preservation of its sites.

| | |
|----------------------------------|--|
| Preservation of the region | The marine area off the coast of Riomaggiore, Vernazza, Monterosso and a small part of Levanto is protected, to conserve the area's rich marine biodiversity. In 1998, the Italian Ministry for the Environment set up the <i>Protected Natural Marine Area Cinque Terre</i> to protect the natural environment and to promote socio-economic development compatible with the natural landscape of the area. |
| Environmental and social impacts | In 2015, the region committed to a five-year strategy and action plan to limit the social and environmental impacts of the summer tourist season. In 2016, during the first year of the strategy's implementation, the region's government proposed a 1.5 million cap on tourist numbers, however, this was never implemented. Rather than introducing visitor caps, the current approach focuses on actively dispersing visitor numbers— both geographically and temporally— throughout the region. |

Overview of governance arrangements

In 2012, the Council of the Cinque Terre National Park (The Park Authority) was formed to develop and monitor an over-arching strategic plan. It was recognised that the protected land surrounding Cinque Terre, and the ever-increasing tourism patronage required a governance model that addressed both the strategic planning and ongoing management of key priorities across the five townships.

The Park Authority is responsible for managing the environment and the impact of tourism on the region. The Park Authority is equipped with an Environment Management system to manage the environmental preservation of the National Park. The Park Authority and its Governing Council's responsibilities include³⁴:

- Strategic planning, development and implementation;
- Geological risks research centre, agriculture helpdesk and interventions;
- Environmental policy, regulation, management and accounting;
- Agreements, forms and any other regulations; and
- Social budget and project management (including environmental impacts of tourism).

The current strategic plan (the Park Authority's Economic and Social Multi-Year Plan) balances the priorities of tourism with preserving the built and natural environment. An example of this is a priority to focus on controlling and redirecting tourist groups, by staggering access times and locations.

The Ministry of the Environment and Protection of Land and Sea of Italy is responsible for environmental issues within Italy, including the Cinque Terre National Park. However, it discharges its environmental responsibilities to the Park Authority through a delegation to the President of the Authority. Thereby, the President is the legal representative of the Park Authority and coordinates its activity, but is answerable to the Park's Governing Council.

The Park's Governing Council is ultimately responsible for the development and implementation of the strategic plan and works with the area's local towns to achieve this.

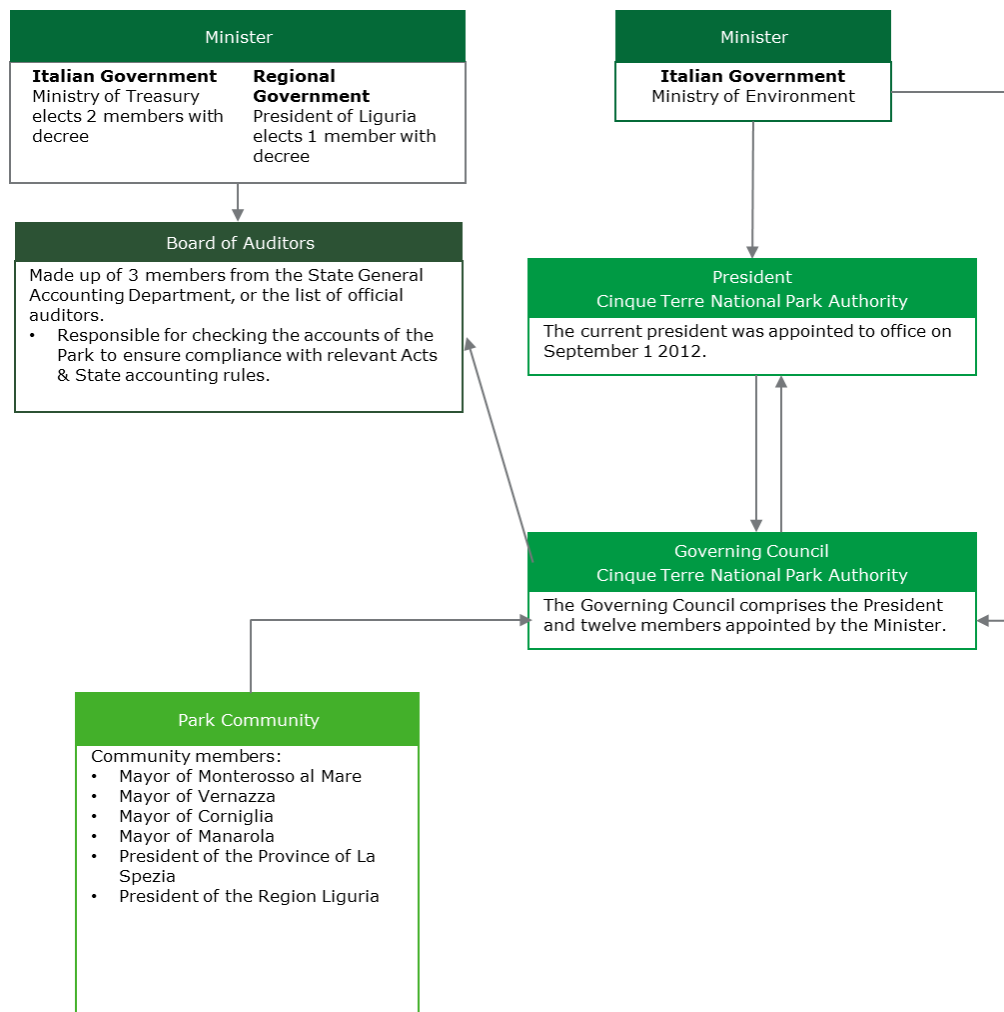
Local governments sit on the Park Community, an advisory body for the Park Authority. The Community assists the Governing Council in the preparation of the Park Authority's Plan. While the Park Authority is ultimately responsible for dispensing the Plan, the Park Community monitors its implementation. The Park Community is also required to provide the Governing Council with an opinion on matters relating to budget, park costing, park regulation, the Park's Plan or any other matter when asked by at least one third of the governing council.

³⁴ (Cinque Terre Area Marina Protetta, 2018)

The Park Authority is in the process of developing district environmental policies that intend to integrate the management of the region across the Park Authority, the local governments and other private and public entities. The policies will focus on the intersection of environmental, economic and social sustainability. One such policy will encourage businesses in the region to sign up to a voluntary Certification Process that would result in their businesses given a badge of quality if their actions support conservation and sustainable development.

Figure 11 below summarises the governance arrangements of Cinque Terre.

Figure 11: Overview of the Cinque Terre governance arrangements



Source: Deloitte Access Economics, 2018; (Cinque Terre Area Marina Protetta, 2018)

Below is a brief description of the responsibilities of each role detailed in Figure 11.

1. **Ministry of Environment:** The Minister selects the President and the Park's Council by ministerial decree and delegates its responsibility for managing the environment within the Cinque Terre National Park. Selection of the Park's President is in agreement with the President of the region of Liguria.
2. **President Cinque Terre National Park Authority:** The President is the legal representative of the Park Authority and coordinates its activity. They perform the functions delegated by the Governing Council, and implement urgent and not deferrable measures usually submitted to the Governing Council. They are answerable to the Governing Council.
3. **Governing Council Cinque Terre National Park Authority:** The Governing Council is responsible for working with the area's townships to develop and implement the economic and social multi-year plan. The Governing Council comprises the President and twelve members appointed by the Minister of the Environment.

4. Park Community: The Park Community is an advisory body to the Park Authority and meets at least twice a year.

It is responsible for:

- Electing the five representatives on the governing council (presented to the Minister who confirms the selection by ministerial decree).
- Ruling on all the acts and matters the Park Community is responsible (set out in article 24 of the present statute) including:
 - Monitoring the implementation of the economic and social multi-year Plan by the Governing Council of the Park Authority;
 - Providing an opinion on: the budget and costing of the Park Authority; regulation in the Park; the Park's plan; or any other matter when asked by at least one third of the governing council; and
 - Assisting in the preparation of the Park's Plan.

The share of votes amongst Community Members is assigned based on the population share of the town they represent and the land area of their territory.

Lastly, Table 6 provides a summary of the governance responsibilities for the management of Cinque Terre including the role of the private sector, including roles of private organisations.

Table 6: Overview of governance responsibilities.

| | Strategy setting | Regulation | Coordination | Strategy delivery | Funding |
|---------------------|------------------|------------|--------------|-------------------|---------|
| Overarching body | ● | ● | ● | | ● |
| National Government | | ● | | | |
| Regional Government | | | ● | | |
| Local Government | | | ● | ● | ● |
| Private Sector | | | | ● | ● |

Revenue arrangements within Cinque Terre

The Park does not receive funding from the government. Therefore, the implementation of the Park Authority's Strategic Plan is essential for the direct management of a park entry ticketing system to raise revenue. The ticket incurs a small fee. The revenue raised by the Park Authority is used to maintain the park and parts of the town, including the terraced retaining walls. Visitors who purchase a ticket get access to the hiking network, environmentally friendly shuttle buses between the villages, and optional access to the train network. Visitors will need to validate the card once before entering Cinque Terre (as the validating stamp will indicate the day that the card is valid for). If visitors buy a multi-day ticket it is valid for two consecutive days starting the day the ticket was validated.

While the five villages have had a paid visitor ticket system since 2001, enforcement of this was inconsistent. In 2017, the Park Authority launched online sales³⁵ of the tickets, renewing their focus on enforcing the paid entry system with inspectors roaming the paths. The Park Authority also encourages overnight and multi-night stays by offering these visitors discounted trekking and train cards.³⁶

³⁵ The cards can still be purchased from visitor centres

³⁶ (Korey, 2017)

In 2017, the region also launched a digital application (App) that provides visitors with a map of the trails. It is intended that the App will eventually provide real time updates on walker numbers on each of the paid trail routes throughout the region. While currently there is no limit on the purchase of tickets or on the number of people in the area at one time, any future caps in place would be reflected in real time via the App and able to be enforced.

Government funding

While Cinque Terre does not receive ongoing funding support from the regional or national government it has received ad hoc funding in the past to support specific projects.³⁷

The region is also eligible to apply for funding grants from the World Monuments Fund as a World Heritage Site.³⁸

³⁷ (UN World Monuments Fund, 2017)

³⁸ (UNESCO World Heritage Fund, 2018)

Appendix A

Strategic Management Structure

Strategic management overview

The strategic management of a natural asset and tourist drawcard can be undertaken by one or many agencies including a dedicated overarching body, a national government agency, a regional government agency, a local government council or by the private sector (typically in the form of many competing firms).

The roles and responsibilities of each participating organisation are often varied, but could include:

- **Strategy setting:** This involves developing and setting the overall direction of the asset including goals and objectives relating to tourism, environmental management and the broader economy.
- **Regulation:** Regulation seeks to impose limits or restrictions on an activity and is undertaken by governments. It can take many forms including a quota (implemented through permits, visitor limits) and direct bans imposed on specific activities.
- **Coordination:** This involves communication of the strategy and its implementation with other strategy setting organisations or delivery organisations.
- **Strategy Delivery:** These organisations implement the strategy on the ground.
- **Funding:** Public funding is raised through taxation including income taxes and taxes on goods and services. Public funds are allocated to government agencies and services to determine the use of the funds. Alternatively, revenue can be raised and reinvested by both public and private sector bodies through some form of user pays cost structure.

These roles can be mapped in a table. 7 below provides an example mapping for the strategic management responsibilities of a tourism asset.

Table 7 Example strategic management overview for management of an asset

| | Strategy setting | Regulation | Coordination | Strategy delivery | Funding |
|------------------|------------------|------------|--------------|-------------------|---------|
| Overarching body | ● | ● | ● | | ● |
| National | | ● | | | |
| Regional | | | ● | | |
| Local | | | ● | ● | ● |
| Private | | | | ● | ● |

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