

APPENDIX B

Review of Commercial Tour Operators Licence Conditions 2014

1. INTRODUCTION

1.1 BACKGROUND

Tour Operator Licences allow suitable companies or businesses to operate commercial treks within the Kokoda Track Region.

The Kokoda Track has historical significance for people in Papua New Guinea and Australia and is a powerful symbol of the enduring relationship between the two countries. The Kokoda Track is Papua New Guinea's most popular land-based tourism attraction allowing trekkers to experience the physically challenging and yet historically and culturally rewarding walk. The Kokoda Track is an important source of national income. The Owen Stanley Ranges, through which the Kokoda Track passes, is rich in natural and cultural resources. The region is populated by Koiari and Orokaiva people living a village based lifestyle with a unique and living culture. It is also home to thousands of unique plants and animals, making this historic place also one of the most biologically diverse areas in the Asia-Pacific. The Owen Stanley Range is also considered to be the largest area of relatively intact rainforest close to the Papua New Guinea's capital Port Moresby.

To maintain a balance between conservation of this spectacular environment, its history, the local cultures and commercial recreational use, the Kokoda Track Authority issues licences to suitable companies or businesses operating commercial trekking business along the Kokoda Track Region.

Licences are the legal basis that allows approved commercial trekking operations to occur in the Kokoda Track Region (in accordance with the general conditions outlined in Section 3 of this handbook). Under the Kokoda Track Trek Permit Law 2005 of both the Kokoda and Koiari Local-level governments, persons, whether as individuals or part of a group, who wish to walk the Kokoda Track, are required to obtain a Trek Permit. Trek Permits are available upon application from the Kokoda Track Authority.

The Management Committee of the Kokoda Track Authority has determined that Trek Permits will only be issued to Tour Operators who have obtained a Commercial Tour Operators Licence.

The Kokoda Track Authority (KTA) management committee is responsible for the strategic direction of the KTA, forward planning and issues management. The Committee is comprised of PNG Government Representatives, PNG Provincial and Local Level Government Representatives, landowners and a Tour Operator representative.

The Chief Executive Officer of the KTA works under the policy direction and guidance provided by the Management Committee. This handbook specifies the requirement for all

commercial trekking Tour Operators associated with Kokoda Track Region to possess a licence. The handbook sets out licence conditions by which Tour Operators are expected to abide and aims to facilitate a cooperative relationship between KTA and Tour Operators to help maintain and protect the Kokoda Track Regions natural and cultural environment for the long term benefit of the Papua New Guinea people and the tourism industry.

1.2 KOKODA TRACK AUTHORITY RESPONSIBILITIES

The KTA aims to provide a safe and well-managed Kokoda Track, preserving its wartime historical significance while protecting and promoting its special natural and cultural value and providing tourism opportunities.

The Kokoda Track Authority's constitution states:

FUNCTIONS OF THE AUTHORITY

Without limiting any functions of the Authority set out in the Proclamation, the Authority may perform the following additional functions—

- (a) to preserve the legacy of the Kokoda Track
- (b) in conjunction with the TPA promote trekking and tourism related activities along the Kokoda Track
- (c) to consult with landowners and Local-level Governments on their needs and priorities in relation to the distribution of any benefits arising from trekking and other tourism related activities on the Kokoda Track
- (d) to collect and manage trekking fees and permits
- (e) to oversee and regulate the conduct of Tour Operators to ensure the sustainable management of the Kokoda Track and respect for local culture and way of life
- (f) to administer, facilitate, oversee and assist the implementation of community development projects along the Kokoda Track Region, either alone, through government agencies or in collaboration with philanthropic organizations, donor agencies and other interested persons
- (g) to work in close cooperation and consultation with PNG and Australian governments for the implementation of the Second Joint Understanding between Papua New Guinea and Australia on the Owen Stanley Ranges, Brown River Catchment and Kokoda Track Region
- (h) any other functions authorised by the Koiari Rural Local-level Government or the Kokoda Rural Local-level Government from time to time.

POWERS OF THE AUTHORITY

(1) In accordance with Section 44 of the Local Government Administration Act 1997 the Authority has power to do all things that are necessary or convenient to be done for or in connection with the performance of its functions.

(2) Without limiting Subclause (1), the Authority may—

(a) set and impose fees on Tour Operators and trekkers using the Kokoda Track

(b) issue trekking permits for the Kokoda Track

(c) enter into agreements and commercial arrangements

(d) acquire, hold and dispose of real and personal property.

LICENCE AND TREK FEES

Annual licence fees are K1200 while trek permits fees are K350 per adult trekker and K175 per student/child trekker.

WHAT ARE FEES USED FOR?

Kokoda Track fees are the primary source of revenue for the KTA and are used to make landowner/community payments through Ward Development funding, undertake safety and track maintenance works and support KTA administrative, salaries and running costs.

1.3 WHY THE KOKODA TRACK AUTHORITY LICENCES TOUR OPERATORS

Licensing establishes standards and procedures for the trekking industry to help ensure the sustainable and equitable use of the Kokoda Track Region.

The purpose of licences is to:

- Ensure compliance with Papua New Guinea laws and regulations;
- encourage respect and support for local cultures and help secure a sustainable future;
- increase certainty for Tour Operators and set appropriate conditions for their workers;
- provide an enhanced and safe experience for trekkers; and
- protect natural, cultural and historical heritage; .

Tour Operators are required to abide by conditions determined by the Kokoda Track Authority Management Committee. The conditions applicable to Kokoda Track Region Operations are set out in this handbook. Tour Operators should note that this handbook will be reviewed from time to time by the Chief Executive Officer under the direction of the Kokoda Track Authority Management Committee after consultation with Tour Operators and other stakeholders.

The KTA holds pre and post season meetings with Tour Operators to discuss licencing matters and other trekking matters of mutual interest.

1.4 WHO IS REQUIRED TO HOLD A LICENCE

Any tour operator that is conducting tours along the Kokoda Track is required to hold a licence.

When an international tour operator has entered into an agreement with and/or is providing logistical and business support to a PNG-based licenced operator to conduct Kokoda Track tours on their behalf, the international company must also be licenced as this is deemed to be conducting the trek. The provision of logistical and business support can include any of the following:

- covering the cost of public liability insurance
- training staff
- providing the necessary equipment to meet licence conditions such as communications equipment, first aid.

PNG-based entities that provide logistical and other services for KTA licenced tour operators (international or PNG operators) are not required to hold a KTA licence.

Companies that are simply promoting Kokoda Treks, e.g. travel agents operating as a marketing agent but not engaging in any of the logistics of conducting treks, do not require a KTA licence.

1.5 BENEFITS OF LICENSING

Being licensed allows you to participate in the Kokoda trekking industry.

Only licenced Tour Operators will be allowed to purchase trek permits and therefore undertake treks in the Kokoda Track Region.

The long term viability of the trekking industry and associated benefits to communities and landowners will be pursued through cooperative arrangements between licenced Tour Operators and the KTA.

Licenced Tour Operators will have access to the 'Tour Operator Area' on the Kokoda Track Authority website (www.kokodatrackauthority.org).

The Tour Operator Area will include licensing information, newsletters, Track advice/updates, itinerary planner, track maintenance information and reports, and an incident report form.

Opportunities for reduced Tour Operator costs: The Kokoda Track Authority is willing to explore Tour Operator cooperatives and other initiatives to make the more expensive trekking equipment like radios and satellite phones more available to those trekking operations that are just starting out or who can not afford to buy the equipment up front.

Kokoda Track Authority website: www.kokodatrackauthority.org

The Kokoda Track Authority website will prominently promote licensed Tour Operators by listing their names and contact details on the website. It will make it very clear to prospective trekkers that trek permits will only be issued to licensed Tour Operators and they should only utilise the services of these licensed Tour Operators.

Training

The Kokoda Track Authority is developing a range of training opportunities such as porter and guide training and other business and capacity building and will give preference to licensed Tour Operators.

Pre-departure information

The Kokoda Track Authority has provided “Pre-Departure Information” on the KTA website. This pre-departure information is available to all licensed Tour Operators and the general public.

1.6 LICENSING COMPLIANCE AND ENFORCEMENT

A licensing system requires industry support and compliance to be effective. KTA will undertake compliance and enforcement actions to ensure licensing requirements are met.

Kokoda Track permits will only be issued to licensed Tour Operators. Kokoda Track Authority rangers will check Tour Operators are licenced and permits are valid and will weigh porter’s packs and monitor other licence requirements.

A list of licenced Tour Operators will be promoted to potential trekkers on the KTA web site and it will be made clear that trekking may only occur with licenced Tour Operators.

Penalties for non-compliance

1. Operating without a licence:

- a. financial penalty (subject to revised regulations)
- b. Kokoda Track Authority notice-boards along the Track.

2. For a licensed Tour Operator not complying with licence conditions:

- a. serious breach – cancel licence;

- b. first minor breach – official written warning;
- c. second minor breach – official second written warning; and
- d. third minor breach – cancellation of licence for at least one year.

Licensing compliance and enforcement will require a co-operative approach with Tour Operators and local communities to support the Kokoda Track Authority and its officers to ensure only licensed Tour Operators are on the Track and that licence conditions are followed. Local communities are supportive of the licensing system.

The Kokoda Track Authority will publish names of licensed Tour Operators on Kokoda Track Authority notice-boards in villages along the Track and Kokoda Track Authority Rangers will undertake licence and permit checks

1.7 FUNDRAISING GROUPS

Fund Raising groups are required to pay trek permit fees and an additional fixed fee of K2000 for international fund raisers and K100 for PNG fundraisers

1.8 FEE WAIVERS

While all Tour Operators will require a licence the Kokoda Track Authority may, at the discretion of its Chief Executive Officer in special circumstances consider reducing or waiving the permit fee however license conditions must still be met. Fee Waivers are mainly designed for groups visiting the Track to implement community development programs.

All authorized fee waivers will be publicised in the monthly KTA Tour Operator Newsletter.

2. GENERAL CONDITIONS

2.1 COMPLIANCE WITH LAWS

- a) The Tour Operator agrees to adhere to relevant Papua New Guinea laws and regulations in relation to trekking in Papua New Guinea.
- b) The Tour Operator will be a Papua New Guinea registered company when undertaking commercial trekking in the Kokoda Track Region.
- c) It is the Tour Operator's responsibility to ensure the compulsory Investment Promotion Authority (IPA) Company registration is maintained. Any lapse in IPA registration will cause this license to be revoked.
- d) War relics are not to be disturbed or removed

2.2 RISK AND SAFETY

Tour Operator must carry at all times:

- Appropriate first aid equipment
- VHF radios and/or satellite phones
- Next of kin, medical insurance details and emergency contact details for all trekkers

Tour Operator must ensure that all trekkers have a medical clearance before trekking that includes at least the requirements of the Adventure Medicine Medical Assessment form' <http://adventuremedicine.net/png/preparation>

To be checked by Kokoda Track Authority rangers while in the Kokoda Track Region.

2.3 INDEMNITY

a) The Tour Operator agrees to indemnify the Kokoda Track Authority from and against liability for all actions, suits, demands, costs, medivacs, losses, damages and expenses (claims) (e.g. search and rescue costs) which may be brought against or made upon the Kokoda Track Authority caused by or arising in any way out of the conduct of:

- i) the Tour Operator;
- ii) the Tour Operator's employees, agents or contractors; and
- iii) the Clients

in relation to this Licence or the Operations.

2.4 INSURANCE

a) The Tour Operator shall at all times during the period of the Licence maintain a policy of public liability insurance, that covers the area and operations allowed under the Licence, in the name of the Tour Operator to the extent of its respective rights and interest for a sum of not less than 2,000,000 (2 Million) Kina per event.

b) The Tour Operator shall provide the Kokoda Track Authority proof of the existence and currency of such insurance policy by submitting a copy of insurance papers with their licence application and whenever requested by the Kokoda Track Authority during the term of the Licence.

c) The Tour Operator shall pay all premiums of the public liability insurance policy when they are due, comply with all of the terms of that insurance policy and shall make the insurer aware of the Licence, these conditions and the indemnity given the Kokoda Track Authority.

Currently this is not a requirement as the Kokoda Track Authority has not been able to gain confirmation from a PNG insurance company to provide this insurance. Once insurance has been sourced this provision will be activated.

Any company operating a trekking business should carry adequate public liability insurance as a minimum as a normal part of their business risk management.

2.5 PERMITS AND GROUP SIZE

a) Tour Operators agree to purchase the appropriate Kokoda Track Authority trekking permit for each client booked on and undertaking a trek. If Tour Operators deliberately avoid payment of trek fees licences will be revoked.

Wherever possible permits should be purchased a minimum 7 days before the trek to allow trek company name, proposed itinerary and group size to be posted on the KTA web site to assist Tour Operators with trek planning including campsite/guesthouse bookings. This information will also assist rangers undertaking compliance checks on the track.

Permits will not be issued until payment is received and treks may not be commenced until permits are issued.

In terms of seeking refunds where excess permits are purchased the KTA will apply a K50 administration fee to cover banks fees and administrative costs.

A Tour Operator applying for permits may be requested to provide proof that they are actually with the licenced Tour Operator that they claim. If a licenced tour operator is working in association with another licenced tour operator both operators must be included on the permit.

b) 1 guide per trekking group will be allowed to participate without a trek permit.

c) The Tour Operator agrees to clearly advertise maximum group size to prospective clients on company marketing materials.

Kokoda Track Authority will check websites and promotional material

2.6 STATEMENT OF INTENT

Tour Operator agrees to have respect for:

- the culture and landownership of track communities
- the Sabbath (to be negotiated with communities)
- community views on alcohol and
- community views on modesty

Tour Operators agree to encourage responsible pre and post trek behaviour by all staff and trekkers including discouraging excessive consumption of alcohol amongst staff and trekkers.

Tour Operators agrees to:

- pay all guesthouse and campsite fees including those of guides and porters prior to moving on from that location

not open new sections of track without the consent of the KTA.

2.7 DUTY OF CARE TO STAFF

Tour Operators agree to have respect for local staff and adhere to minimum standards for pay, equipment and other conditions for staff including:

- Minimum wage K50 per day paid no later than 4 days after completion of trip
- Maximum carrying load within ability and less than 22.5 kilos
- Supply adequate equipment, food, shelter, accommodation, blanket/sleeping bags
- Proper bushwalking back pack and a torch while on the track
- Appropriate accommodation and a return flight (or equivalent in cash) at the end of each trek.

The Kokoda Track Authority may check these requirements

2.8 KOKODA TRACK AUTHORITY REPORTING

a) Tour Operators agree to provide KTA with incident reports of all medevac's and incidents that represent a risk to community and trekkers' safety within three working days of the completion of the trek.

b) Tour Operators are encouraged to give Track condition reports and contact the KTA with any matters or concerns in relation to trekking.

2.9 ENVIRONMENTAL CARE

Tour Operators agree to:

- carry out and responsibly dispose of all rubbish generated on the track and to manage and control the dropping of rubbish along the track by trekkers and porters.
- not cut down trees and shrubs for rest stops.
- camp only at recognised designated campsites.
- ensure trekkers and staff only use bio degradable soap
- not disturb the endemic flora and fauna
- not cut steps with spades unless in a serious safety situation, and
- use existing track at all times when safe to do so
- prevent staff and clients from damaging the Track through graffiti.

2.10 TOUR OPERATOR LIAISON

Tour Operator agrees to work with the KTA and other Tour Operators to promote a positive image of the Kokoda Track trekking industry, and agree:

- to advise the KTA of any trekking issues, problems or suggestions for improving the trekking experience and community benefits from the industry
- to work with the KTA and support and promote the KTA's role in working with the industry and communities
- to not engage in any activities that promote Track closures
- to refer disputes not resolved by the tour Operator within 28 days to the KTA and/or the PNG Tourism Promotion Authority
- to direct any proposals for the construction of markers, memorials or other permanent structures along the Kokoda Track to the KTA and the PNG Tourism Promotion Authority for consideration.

3. FREQUENTLY ASKED QUESTIONS

3.1 WHEN IS A COMMERCIAL OPERATION LICENCE REQUIRED?

The Chief Executive Officer may grant a licence to permit Commercial Tour Operators to conduct business in the Kokoda Track Region. A commercial tour operation is defined as the marketing, organisation and conduct of Kokoda treks within the Kokoda Track Region.

3.2 WHAT DO I NEED TO SUPPLY WITH MY APPLICATION FORM?

When applying for a Commercial Operations Licence for the Kokoda Track Region, you will need to submit:

- completed and signed Commercial Tour Operators Licence application form
- copy of IPA registration
- if applicable declaration of contract/agreement between PNG and Australian tour Operators included with application
- the annual K1200 licence fee
- other paperwork that may be specified on the application form.

3.3 HOW WILL COMMERCIAL OPERATIONS LICENCES BE PROCESSED?

Once all relevant information is provided (as above) Commercial Operations Licences will be processed and issued from the Kokoda Track Authority office. Once a licence has been granted the licensed Tour Operator will be entered into a permit database so permits can be processed quickly and easily.

3.4 WHAT HAPPENS IF A TOUR OPERATOR SELLS THE BUSINESS?

Licences are not tangible assets and cannot be transferred to a new owner. The Tour Operator must explain to prospective purchasers of a business operation that the licence is not transferable, and that the prospective purchaser is required to make an application to the Kokoda Track Authority Chief Executive Officer to obtain a new Licence to continue the licensed operations.

3.5 WHAT HAPPENS WHEN A LICENCE EXPIRES?

A licence will be valid for one year. It is the responsibility of the Tour Operator to note licence expiry and apply for a new licence if required. Licences will not be automatically renewed upon expiry of the licence period.

Upon expiry of the licence period the Tour Operator should expect that licence operations will be reviewed. The tour Operator will be responsible for all set-up costs associated with the approved operation.

The Kokoda Track Authority Management Committee and Chief Executive Officer are indemnified against any loss or expenses should the Licence not be renewed upon the expiry of the licence period.

If you are not renewing your licence, please notify the permits and licensing officer on

Tel: + (675) 323 6165.

Fax: +(675) 323 6020

Email: permits@kokodatrackauthority.org

3.6 HOW WILL SMALLER TOUR OPERATORS BE PROTECTED?

The Commercial Operations Licence is not designed to prevent new operators joining the industry or to make it impossible for existing operators to continue operating their business. The Kokoda Track Authority is willing to explore operator cooperatives and other initiatives to make the more expensive trekking equipment like radios and satellite phones more available to those trekking operations that are just starting out or who cannot afford to buy the equipment up front.

3.7 WHAT ABOUT WORK PERMITS FOR NON-PAPUA NEW GUINEA TOUR LEADERS?

Currently there is conflicting advice on what work permits are required for a non-Papua New Guinea national tour leader. The Kokoda Track Authority is currently liaising with relevant government departments to determine whether there is a case for seeking a new work permit category that allows multiple entries over a specific period of time. The Kokoda Track Authority will continue to explore this issue and provide feedback to Tour Operators as further information becomes available.