

VICTORIA

Auditor-General
of Victoria

SPECIAL REPORT No. 34

MANAGING PARKS FOR LIFE
The National Parks Service

Ordered by the Legislative Assembly to be printed

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The President
The Speaker

Parliament House
Melbourne Vic. 3002

Sir

In accordance with section 16 of the *Audit Act 1994*, I transmit the Auditor-General's Special Report No. 34, "*Managing Parks for Life: The National Parks Service*".

Yours faithfully

C.A. BARAGWANATH
Auditor-General

Previous Special Reports of the Auditor-General

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Foreword

The Department of Conservation and Natural Resources has important responsibilities relating to the management of Victoria's natural resources. The National Parks Service makes a major contribution to the discharge of these responsibilities. It has the task of managing the State's highly-regarded system of parks and reserves in order to promote and protect the natural heritage of Victoria, and to encourage enjoyment by present and future generations of Victorians and visitors.

In recognition of its significant responsibility, the Service has adopted a challenging mission of ensuring that Victoria's system of parks and conservation reserves is managed in accordance with world's best practice. In pursuit of this long-term corporate goal, the Service is implementing a range of improvement initiatives, including the forging of strategic partnerships with Australian and international parks organisations, to establish agreed minimum standards for management of parks and to facilitate attainment of best practice.

This Report continues the theme of featuring health, safety and environmental issues, of high significance to the community, in performance audit reviews undertaken by my Office. The Report explores a range of matters including:

- strategic management of parks and reserves;
- the move of the National Parks Service towards best practice;
- the emerging emphasis on tourism development and visitor services; and
- organisational and human resource issues within the National Parks Service.

I hope that the important subjects canvassed in this Report provide constructive input to the National Parks Service as it proceeds through a major change program and will be of interest to the Parliament and the community.

C.A. BARAGWANATH
Auditor-General

Part 1

Executive Summary

Part 1.1

Overall audit conclusion

1.1.1 The National Parks Service within the Department of Conservation and Natural Resources has the responsibility, on behalf of the Parliament and the community, for management of Victoria's prestigious system of national parks as well as a variety of other parks and conservation reserves. Its predecessor bodies experienced many organisational changes over the years and, in 1993, the National Parks Service emerged as a designated separate business activity of the Department. This action appropriately recognised the organisation's important tasks of preserving and protecting such significant natural resources of the State.

1.1.2 This audit review has examined management practices within the National Parks Service from a global viewpoint rather than in terms of specific practices in place at individual parks. At an early stage of the audit, it became clear that the Service has not been in a position to assess its own effectiveness in the management of parks, principally because of long-standing unco-ordinated and rather haphazard approaches to strategic management.

1.1.3 This position has meant that clarity in goal setting and a structured framework for key decision-making, in line with established priorities, were not, in the past, conspicuous characteristics of the National Parks Service's organisational functioning. In addition, poor information systems and inadequate consultation with some external parties meant that opportunities to capitalise on tourist development or improve service delivery, when such opportunities were complementary to preservation and protection of parks, were not always identified or considered.

1.1.4 In commenting on the above shortcomings, it is very appropriate for audit to recognise the momentum for positive change which was quickly gathering pace within the National Parks Service throughout the period of this review. The Director of the Service is developing a major change program focusing on key areas of significance for the Service. With a long-term goal of achieving world's best practice in the management of national parks and conservation reserves, many aspects of organisational activity are under review or at the early stages of reform.

1.1.5 The National Parks Service has the significant challenge of ensuring that its change process is effectively implemented and that quality strategic thinking, reliable information systems and systematic allocation of scarce resources to set priorities become fundamental elements of its operations. As this transition occurs, such matters as sound environmental monitoring of parks, pro-active promotion and marketing and a progressive, but responsible, approach to tourism development and recreational issues within parks need to emerge as strong features of the day-to-day thinking within the Service.

1.1.6 In short, the National Parks Service is laying a foundation for major change, which, if pursued with a strong cultural adjustment, should allow the Parliament and the community to have confidence in the future direction of the Service in its custodial role over significant natural resources of the State.

1.1.7 Finally, audit wishes to signal its praise for the professionalism and commitment displayed by staff of the National Parks Service at both Head Office and in the various park locations visited by audit across the State. Audit's message to the Department is that it should guard against any potential for underestimating the value of such professionalism from staff.

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Department accepts the observations of the Auditor-General. A number of factors have contributed to this situation, notably the very rapid increase in the area of the parks and reserves since the 1980s. Coping with the expanding land management responsibilities became a necessary pre-occupation to the detriment of goal setting for the range of other issues relevant to park management. Establishment of the NPS in 1993 as a separate entity with clear accountability for park management is the strong point for establishing clearer future directions and goals.

Part 1.2

Summary of major audit findings

STRATEGIC MANAGEMENT OF PARKS AND RESERVES

Page 29

- Shortcomings in the National Parks Service's (NPS's) strategic management processes have precluded it from accurately measuring its past effectiveness in the management of parks and conservation reserves.
Paras 4.10 to 4.13
- With a mission which aims to achieve world's best practice in the management of parks and reserves, the NPS is in the early stages of implementing a range of important initiatives aimed at redressing past problem areas.
Paras 4.14 to 4.27
- If it effectively implements its change program, the NPS will be in an increasingly sounder position to assess the effectiveness of its performance in its important areas of responsibility and communicate results to the Parliament and the community.
Paras 4.28 to 4.30

THE MOVE TOWARDS BEST PRACTICE

Page 39

- The absence of minimum performance standards for the management of parks has contributed to marked variations in the quality of facilities in Victorian parks.
Paras 5.11 to 5.18
- The NPS expects that the results of recent initiatives will establish a basis for achieving greater consistency in the quality of facilities available to park visitors and for allocating resources more effectively.
Paras 5.19 to 5.21
- The development and use by the NPS of minimum performance standards covering all relevant management issues needs to be viewed as an essential initial step if it is to make meaningful progress towards achievement of best practice in parks management.
Paras 5.22 to 5.31
- The establishment by the NPS of benchmarking alliances with Australian and international parks organisations is an important pro-active strategy to support its pursuit of world's best practice.
Para. 5.32

THE MOVE TOWARDS BEST PRACTICE - continued**Page 39**

- The critical position concerning the lack of timeliness and efficiency in the finalisation of park management plans at the NPS requires early corrective action.
Paras 5.35 to 5.45
- The NPS could not identify aggregate costs incurred in the production of park management plans and, therefore, was not in a strong position to determine its overall efficiency for such a key element of its operations.
Paras 5.38 to 5.40
- Close monitoring of progress against planning goals, under its new management planning strategy, will need to be a priority within the NPS.
Paras 5.46 to 5.50
- The NPS is confident that its use of service agreements will become more advanced and effective as a major means of enhancing resource management in parks. It will be important that information gained through planned quarterly reviews of service agreements is consolidated for use in management decision-making processes.
Paras 5.51 to 5.59
- The significance of environmental monitoring means that, as a major land manager in Victoria, the NPS should be ensuring that it clearly documents, for national purposes, the state of the environment within its ambit of responsibility.
Paras 5.60 to 5.65
- The NPS needs to direct greater attention to the consistency and coverage of its environmental monitoring practices.
Paras 5.66 to 5.72
- It will be important that the NPS ensures a high priority is accorded to the tasks undertaken by its Ecological Monitoring Working Group.
Paras 5.73 to 5.75
- Because of the importance of the National Parks Advisory Council's independent advisory role, a re-assessment of its functions would help to ensure that the most effective process for provision of advice to the Minister was in place.
Paras 5.76 to 5.83

TOURISM DEVELOPMENT AND VISITOR SERVICES**Page 55**

- It seems very likely that, at both national and State levels, the ecotourism industry in Australia will swiftly evolve in both size and significance. *Paras 6.16 to 6.21*
- Tourism initiatives undertaken by the Department, to date, represent positive steps in identifying opportunities to increase its contribution to the State's ecotourism industry. *Paras 6.22 to 6.27*
- There would be substantial merit in the NPS developing a specific tourism strategy in relation to parks. *Paras 6.28 to 6.33*
- It would seem very desirable that the NPS's policy setting on the diversity of opinion in the public arena on conservation versus tourism/recreation issues in parks be clearly manifested in a tourism strategy. *Paras 6.37 to 6.42*
- The Director of the NPS is in the process of forging stronger links with Tourism Victoria and overcoming the current lack of tourism industry expertise within the NPS. *Paras 6.43 to 6.47*
- Given the valuable information gathered by the NPS to demonstrate the economic benefits of the Grampians National Park, consideration should be given to broadening such studies to other parks, e.g. those parks which attract high visitor numbers. *Paras 6.48 to 6.53*
- A structured approach to marketing and promotional activities within the NPS is necessary to ensure adequate public awareness and understanding of the State's parks and conservation reserves. *Paras 6.54 to 6.61*
- It will be important that the NPS ensures that meaningful conclusions, useful for strategic decision-making, can be drawn from the results of its periodic surveys undertaken to canvass the views of visitors to parks. *Paras 6.65 to 6.70*
- The NPS needs to develop more reliable mechanisms for evaluating visitor satisfaction and numbers and for the integration of relevant data into its decisions on strategic planning and resource allocation. *Paras 6.71 to 6.75*
- There would be merit in the NPS broadening its current approach to reviewing visitor centres by undertaking a comprehensive review of all centres, incorporating the identification of visitor opinion of the centres. *Paras 6.76 to 6.82*

OTHER MANAGEMENT ISSUES WITHIN THE NPS**Page 73**

- The NPS would benefit from some re-engineering of the operations of its Head Office and the establishment of its own body of expertise in evaluation.
Paras 7.5 to 7.18
- The NPS needs to develop a set of maintenance and condition standards for departmental housing to ensure that field staff are provided with appropriate housing conditions.
Paras 7.25 to 7.30
- The Department's implementation of its new Performance and Remuneration Management system presents it with a good opportunity to re-assess the positions of Rangers (including Rangers-in-Charge), Chief Rangers and Parks and Reserves Managers and, where appropriate, recognise additional competencies associated with these positions.
Paras 7.31 to 7.44
- The shortcomings of the NPS's information systems were of such significance that it could not be satisfied as to its overall level of effectiveness in meeting the responsibilities assigned to it under the National Parks Act.
Paras 7.49 to 7.51
- The NPS does not presently have available consolidated data relating to environmental information and, as a result, is not in a position to accurately determine whether it is satisfying the objectives of the National Parks Act with respect to the preservation and protection of scheduled parks.
Paras 7.52 to 7.56
- The Director has initiated corrective action to introduce more flexible delegation arrangements within the NPS and, in turn, streamline its management decision-making and approval processes.
Paras 7.60 to 7.66
- The NPS should conduct a strategic assessment of its experiences to date in the use of external contractors and of resultant costs and benefits.
Paras 7.67 to 7.72
- "Friends of Parks" groups and other volunteers have been a valuable resource available to the NPS.
Paras 7.73 to 7.83
- Several avenues, including potential to pursue greater economic returns from commercial filming and other advertising permits in parks, are available to the NPS to enhance its revenue management practices while, at the same time, ensuring protection of parks.
Paras 7.84 to 7.125

Part 2

Background

HISTORICAL PERSPECTIVE

2.1 The first Victorian national park was declared at Tower Hill near Warrnambool in 1892, followed by the temporary reservation of Mount Buffalo and Wilsons Promontory in 1898. By 1930, 9 other parks had been reserved. These parks were managed by individual committees of management comprised of volunteer members and had little access to government funding or trained staff.

2.2 During the first half of this century, there was a lack of cohesion in the selection and reservation of land for park use and of consistency in the management of parks. A Land Conservation Council's *Park and Forests Services Study* in 1993 found that as far back as 1906, "... local people and the Department of Lands were interested in the possibility of revenue generated by tourism" while "... naturalists were concerned primarily to preserve wildlife and forests but some also argued that they had a responsibility to future generations to reserve tracts of untouched bushland".

2.3 In 1952, a number of groups and individuals, who had been intensively involved in the fight to create national parks in Victoria, formed the Victorian National Parks Association (VNPA), an association which over the years has maintained an active involvement with parks. The VNPA was instrumental in achieving the establishment of national parks legislation in 1956 and a National Parks Authority. Subsequently, 11 new national parks were created between 1957 and 1972.

2.4 The 1970s saw the creation of the Land Conservation Council which was given responsibility for advising the Government on the balanced use of public land in Victoria. The establishment of this body has allowed Victoria to adopt a measured and logical approach to the use of its public land assets. There is little doubt that the existence of the Council working together with the State's National Parks Service (NPS) and its various predecessors, has contributed greatly to the establishment of Victoria's park system which has achieved national and international recognition.

COMPOSITION AND NATURE OF VICTORIA'S PARKS AND RESERVES

2.5 Currently, Victoria has over 100 parks and reserves managed by the National Parks Service (NPS) under the *National Parks Act 1975*, including 32 national parks, 3 wilderness parks, 32 State parks and 45 other parks and reserves. In addition, there are approximately 3 000 conservation reserves most of which came under the management of the NPS following a restructure of the Department of Conservation and Natural Resources (the Department) in 1993.

2.6 The Act defines **national parks** as "... certain Crown land characterised by its predominantly unspoilt landscape, and its flora, fauna or other features, [which] should be reserved and preserved and protected permanently for the benefit of the public".

THE NATIONAL PARKS SERVICE

2.9 In most other countries, national parks are the responsibility of federal governments. In Australia, with the exception of those national parks managed by the Australian Nature Conservation Agency, most national and other parks and conservation reserves are the responsibility of State governments.

2.10 The NPS was established as one of the 5 businesses of the Department of Conservation and Natural Resources following its restructuring by the Government in May 1993. This particular restructure was a significant event from the perspective of the NPS as it regained organisational viability and clear accountability for park management, factors which had been lost in previous restructures.

2.11 The 1993 re-establishment of the NPS as a separate entity was one of a series of organisational reforms undertaken by the Department over the past 10 years. It is widely acknowledged by most of the NPS staff interviewed during the course of the audit that this lengthy period of change has adversely impacted on staff morale and productivity.

2.12 To the credit of the NPS staff, the continual change has not distracted them from the task of managing Victoria's parks professionally and with enthusiasm and endeavour. The contribution of all NPS staff needs to be acknowledged because it has proved to be one of the major assets of the Department. Audit considers that the commitment of staff has particularly assisted the Department, during times of major staff downsizing and tightening budgets in the context of increasing land base responsibilities, to maintain its management momentum and avoid a breakdown of the park system.



**Picture Not
Available**



**Picture Not
Available**

*Ranger Jill Read (Grampians National Park) and
Ranger-in-Charge Bob Adams (Port Campbell National Park).*

CHARACTERISTICS AND RESPONSIBILITIES OF THE NPS

2.13 The major objectives of the NPS, as documented in its *Annual Report on the National Parks Act 1992-93*, are:

- "... to develop a system of national parks, wilderness parks, state parks and other parks and reserves that adequately represents and conserves Victoria's diverse natural features;
- to ensure that the natural, cultural and historical values in these areas are adequately preserved and protected;
- to provide, where appropriate, for all people to use the system of parks and reserves for the purposes of enjoyment, recreation, tourism, education and research; and
- to ensure that the requirements of the National Parks Act and related legislation and regulations are met".

2.14 In pursuit of these objectives, the NPS's principal responsibilities are:

- management of national, State, wilderness, regional and marine parks, and conservation reserves;
- community education and extension programs for parks and conservation reserves;
- tourism on public land; and
- administration of cultural sites on public land.

2.15 Table 2A provides an overview of the number of hectares managed by the NPS under the *National Parks Act 1975* by the NPS, visitor days and revenue and expenditure over the past 10 years.

**TABLE 2A
KEY CHARACTERISTICS OF THE NPS
BETWEEN 1984 AND 1994 - IN RESPECT OF
LAND MANAGED UNDER THE NATIONAL PARKS ACT 1975**

Years	Managed hectares	Funds expended	Revenue collected	Visitor days
	(millions)	\$m	\$m	(millions)
1984-85	1.2	12.4	2.1	7.7
1985-86	1.3	13.0	1.8	7.9
1986-87	1.4	(a)	2.1	8.1
1987-88	1.6	18.6	2.2	8.4
1988-89	1.7	21.2	2.3	8.8
1989-90	2.0	(b) 31.7	2.7	9.2
1990-91	2.8	24.3	3.4	10.1
1991-92	2.9	24.3	3.6	9.9
1992-93	2.9	(c) 28.1	(d) 3.5	10.3
1993-94	3.0	25.7	3.2	10.7

(a) Figure not available (included in various departmental programs).

(b) Includes purchase of Greens Bush (\$8.8 million).

(c) Includes one-off Priority Victoria and Jobskills expenditure of \$2.3 million.

(d) Revenue from ski-lifts at Mt Buffalo National Park no longer collected by NPS - ski-lifts operations leased to private company.

Source: National Parks Service.

2.16 The above table excludes conservation reserves totalling approximately 800 000 hectares and involving additional annual expenditure of \$10.1 million for which the NPS assumed responsibility in 1993-94. In addition, after allowing for fire prevention, fire suppression and administrative overheads, the total cost of managing parks and conservation reserves for the Department amounted to \$56 million in 1993-94.

2.17 Table 2B shows the number and main classifications of NPS staff as at 30 June 1994.

**TABLE 2B
NPS STAFF AT 30 JUNE 1994**

<i>Staff classification</i>	<i>Number</i>
Field staff -	
Parks and Reserves Managers	5
Other area office staff	69
Chief Rangers	19
Rangers-in-Charge	48
Rangers	130
Work crews	96
Total field staff	367
NPRB (a)	65
Corporate Services (all locations)	47
Total NPS staff	479

(a) National Parks and Reserves Branch (NPS Head Office).
Source: National Parks Service.

MAJOR LEGISLATION AND DOCUMENTATION

2.18 The major legislation and other documentation which influence the operations of the NPS include:

- *National Parks Act 1975, Land Conservation Act 1970, Conservation, Forests and Lands Act 1987, Heritage Rivers Act 1992, Crown Land (Reserves) Act 1978, Wildlife Act 1975; and the Flora and Fauna Guarantee Act 1988;*
- *the NPS Guidelines and Procedures Manual;*
- *the Department's 1993-1996 Corporate Plan;*
- *the Government's Policy on Conservation and Land Management;*
- *internal documentation such as service agreements and park management plans; and*
- *various Australian and international policy documents.*

OTHER GOVERNMENT AGENCIES, COMMITTEES AND KEY STAKEHOLDERS

2.19 In addition to the estimated 11 million visitors to parks each year, there are a number of government agencies, committees and key stakeholders who are involved in the national park arena, including:

- *Australian and New Zealand Environment and Conservation Council*

The Australian and New Zealand Environment and Conservation Council consists of all State and New Zealand ministers involved in the conservation, environment and land management portfolios. Its function is to "... provide a forum for member Governments to exchange information and experience and develop co-ordinated policies in relation to national and international issues".

- *Australian Nature Conservation Agency*

The Australian Nature Conservation Agency is the principal agency of, and advisor to, the Australian Government on nature conservation. Its major purpose is the conservation and appreciation of Australia's natural and associated cultural heritage through leadership and co-operation. The Agency also operates a number of national parks such as Kakadu and Uluru in the Northern Territory.

- *Land Conservation Council*

The Land Conservation Council was established with the enactment of the *Land Conservation Act 1970*. This legislation followed a protracted public debate over a proposal to freehold 80 000 hectares of the Little Desert area in North-Western Victoria. The role of the Council is to provide the Government with advice on the balanced use of public land. Using 7 criteria set out in the Act, the Council has developed a land classification system providing for approximately 40 public different land categories.

- *Tourism Victoria*

Tourism Victoria is the lead Victorian tourism agency and the vehicle by which the Victorian Government expresses its support for tourism, liaises with the tourism industry and through which a cohesive promotion of Victoria to domestic and international markets occurs.

- *Melbourne Parks and Waterways*

Melbourne Parks and Waterways commenced operations in January 1993 with a range of responsibilities transferred from the Melbourne Water Corporation and other responsibilities as a manager of Crown land providing a range of park and waterway recreational assets and services in and around Melbourne. With a budget of \$65.2 million, staff of 251 and 6 398 hectares to manage, it is the other major park agency in Victoria.

- *Victorian National Parks Association*

The Victorian National Parks Association is an independent non-profit organisation "... which seeks to secure a fully representative system of well managed national and state parks, flora and fauna reserves, and other areas of conservation, scientific or historic value on public and private land, and to foster public interest to these ends". It also sponsors and promotes the *Friends of Parks* groups which have a high level of involvement in individual parks.

- *Victorian Tourism Operators Association*

The Victorian Tourism Operators Association was established in 1988 as a membership-based organisation for tourism operators comprising 395 member individuals and organisations. Its main purpose is to raise standards within the tourism industry through accreditation, training and mutual support.

- *Public Land Council of Victoria*

The Public Land Council of Victoria advised audit that it has a direct membership of 50 000 people and comprises the Victorian Farmers' Federation, Victorian Chamber of Mines Inc., Mountain Cattlemen's Association of Victoria Inc., Victorian Association of Forest Industries, Australian Deer Association Inc., Victorian Field and Game Association, and the Victorian Association of Four Wheel Drive Clubs.

The objective of the Council is "*... to develop policies on, and promote the concept of, rational and sustainable multiple use and management of public land which balances the use of renewable and/or natural resources on public land for economic and recreation purposes, and, the conservation of the environment*".

Part 3

Conduct of the audit

AUDIT OBJECTIVES

3.1 The overall objectives of the audit were to examine the management strategies and practices of the NPS in order to determine:

- the effectiveness, efficiency and economy of the NPS in managing parks and reserves in Victoria;
- the ability of the NPS to meet its obligations under the *National Parks Act 1975* and in accordance with several key documents such as the Department's *Corporate Plan*, the *NPS Business Plan*, the *Tourism Victoria Strategic Business Plan* and the Government's *Policy on Conservation and Land Management*; and
- the benefits to Victoria, from a conservation and tourism perspective, of the parks system currently managed by the NPS.

AUDIT SCOPE

3.2 The audit review concentrated on the management of the NPS from a global viewpoint rather than in terms of the specific management of individual parks.

3.3 A framework of desirable management practices and various models were established by audit, after discussions with representatives of the NPS and other park management agencies, to provide the main evaluative criteria for assessing the efficiency and effectiveness of the management of the NPS.

3.4 Utilising this framework and given the complexity of issues involved in management of natural resources, audit considered the following areas:

- soundness of strategic planning;
- resource allocation;
- the organisational framework and management strategies of the NPS;
- revenue;
- staff employment conditions and professional development;
- best practice, evaluation and benchmarking; and
- tourism and visitor services.

Documentation

3.5 The following documentation was gathered and examined by the audit team during the course of the review:

- relevant legislation;
- park management plans;
- service agreements;
- reports of the Land Conservation Council on land use;
- research documentation covering significant issues of natural resource management, in particular with a view to gaining knowledge of conservation and ecological issues;

- annual reports and policy documentation of the Department, Tourism Victoria, the Australia and New Zealand Environment and Conservation Council, the Australian Nature Conservation Agency, the National Parks Advisory Council, the Victorian National Parks Association, the Public Land Council of Victoria, the Victorian Tourism Operators Association, Melbourne Parks and Waterways and other relevant agencies and interest groups; and
- relevant files and internal documentation of the NPS and the Department relating to the management of parks.

3.6 An extensive literature search was also conducted to build the audit team's general knowledge of conservation issues and international and interstate developments.

Consultation

3.7 During July to October 1994 inclusive, the audit team conducted an extensive program of field visits to 17 national parks as well as a number of other State parks and conservation reserves and area offices.

3.8 The period during which field visits took place was a particularly important time for the NPS. It involved the transition towards its current organisational position within the Department as a major business with a specific focus on parks.

3.9 During field visits, audit interviewed many staff of the NPS including Area Managers, Parks and Reserves Managers, Chief Rangers, Rangers-in-Charge, Rangers, work crew, Interpretations Officers and administrative staff in field locations.

3.10 Discussions and interviews were also conducted at NPS Head Office with a range of staff.



**Picture Not
Available**

*Audit staff discussing park management issues
with National Parks Service personnel at the Cape Liptrap Lighthouse.*

3.11 Audit interviewed members or staff of the following Victorian groups and organisations:

- Tourism Victoria;
- Melbourne Parks and Waterways;
- National Parks Advisory Council;
- Victorian National Parks Association;
- Victorian Tourism Operators Association; and
- Public Land Council of Victoria.

3.12 Nine "*Friends of Parks*" groups were surveyed on their opinions of park management. The groups were:

- Friends of Chiltern Park;
- Friends of Grampians National Park;
- Friends of Morwell National Park;
- Friends of Organ Pipes National Park;
- Friends of the Prom;
- Friends of Sherbrooke Forest;
- Friends of Warby Ranges State Park;
- Friends of Warrandyte State Park; and
- Friends of Werribee Gorge and the Long Forest Mallee.

3.13 Audit visited the New South Wales National Parks and Wildlife Service, the Australian Heritage Commission and the Australian Nature Conservation Agency.

3.14 At an early stage of the review, audit was very pleased to be able to attend the NPS conference titled *Managing Parks for Life*, at the invitation of the then Director of the NPS. Attendance at this conference was particularly valuable to audit in that it provided an insight into the principal matters seen by NPS staff as directly relevant to the organisation's future direction.

3.15 Audit attended, in November 1994, a Melbourne Parks and Waterways breakfast seminar program exploring management issues in parks, conducted as part of Parks Week.

Part 4

Strategic management of parks and reserves

OVERVIEW

4.1 The quality and soundness of strategic management within organisations (both private and public) are becoming increasingly important pre-requisites for attaining high levels of effectiveness and efficiency in performance.

4.2 The quest for achieving maximum productivity from scarce resources has become paramount among organisational goals. Strategic management, extending from planning and goal setting through to performance monitoring and reporting, is now a key influencing factor for converting, over operational cycles, objectives into satisfactory and visible outcomes. It has become the fundamental element underpinning corporate and business planning.

4.3 Because of several shortcomings in its strategic management processes, the NPS has not, in the past, been in a position to conclusively assess its overall effectiveness in the management of the State's parks and conservation reserves. However, through a number of positive initiatives, it is currently implementing a major change program which is aimed at systematically addressing past problems and establishing a substantially strengthened strategic management framework.

IMPORTANCE OF A SOUND STRATEGIC MANAGEMENT FRAMEWORK FOR THE NPS

4.4 In the case of an organisation such as the NPS, some special attributes serve to reinforce the significance to it of a well-structured strategic management framework. These attributes include:

- the legislative obligations assigned to the organisation;
- its key role in the management of a significant part of the State's natural resources; and
- a decentralised organisational setting.

Legislative obligations

4.5 The Parliament, through the *National Parks Act 1975*, has assigned to the Director of the NPS a wide range of responsibilities dealing with preservation and protection of the State's national and other categories of parks. In this regard, the Director is required, under the Act, to:

- ensure that each park is controlled and managed, in accordance with the objects of the Act, in a manner that will:
 - preserve and protect the park in its natural condition for the use, enjoyment and education of the public;
 - preserve and protect indigenous flora and fauna in the park;
 - exterminate or control exotic fauna in the park;
 - eradicate or control exotic flora in the park; and
 - preserve and protect wilderness areas in the park and features in the park of scenic, archaeological, ecological, geological, historic or other scientific interest;

- ensure that appropriate and sufficient measures are taken to protect each park from damage by fire;
- promote and encourage the use and enjoyment of parks by the public and the understanding and recognition of the purpose and significance of national parks and State parks; and
- prepare a plan of management in respect of each park.

4.6 Any assessment of the effectiveness of the NPS requires evaluation of the extent to which the above legislative obligations have been met. In other words, the legislation can be regarded as a source of evaluative criteria for determining the overall effectiveness of the NPS. It follows, therefore, that there needs to be a clear nexus between the strategic objectives of the NPS embodied in its corporate and business plans and the responsibilities assigned to the Director under the legislation.

Key role in natural resource management

4.7 Given that the NPS's core responsibilities are associated with the management of natural resources of the State, it is important that it has in place sound systems for periodic environmental monitoring of parks and for measurement of its related performance. According to the NPS's *Guidelines and Procedures Manual*, environmental monitoring encompasses:

- the assessment of changes in the condition of the biological and physical features of parks as a result of natural processes, visitor use and management practices; and
- levels, patterns and trends of visitor use and the perceptions and satisfaction of visitors.

4.8 Environmental monitoring is directly related to the NPS's fundamental function as the State's primary manager of natural resources on behalf of the Parliament and the community and, therefore, needs to be a principal component of its strategic management framework.

Decentralised organisational setting

4.9 The geographical spread of parks throughout the State means that many of the NPS's staff, such as park Rangers, and its facilities are situated in field locations throughout the State. This feature of the organisation's operational setting requires that communications and information flows within NPS are soundly-based and conducive to optimum decision-making at both head office and field levels. In these circumstances, factors such as reliable information systems, effective dissemination of strategic objectives and priorities, appropriate systems of delegation and a consistent approach to performance monitoring and reporting assume particular significance in terms of strategic management for the NPS.

SOUNDNESS OF PAST STRATEGIC MANAGEMENT WITHIN THE NPS

4.10 It can be seen that the quality and soundness of the NPS's strategic management framework is an essential point of focus when evaluating the organisation's effectiveness in discharging its important responsibilities for management and protection of parks on behalf of the Parliament and the community.

4.11 Against the above background, audit determined that a well-structured strategic management framework for the NPS would incorporate the following elements:

- clear articulation of corporate and business objectives with a visible nexus between objectives and the NPS's legislative responsibilities;
- specific information on priority tasks linked to the stated objectives;
- an outline of strategies to be implemented in the pursuit of objectives;
- timeframes and performance indicators as the means of monitoring progressive action against planned tasks; and
- sound management information systems so that key decision-making by managers across the State can always be based on reliable and accurate data.

4.12 From the work undertaken by audit, it was evident that, in the past, the NPS and its predecessors have not been in a position to form conclusive judgements on their overall effectiveness in the management of the State's parks and reserves. In a collective sense, several factors, all essentially related to shortcomings in the NPS's strategic management processes, have contributed to this position, including:

- An unclear connection between the NPS's strategic goals embodied in current corporate and business plans and its specific legislative obligations;
- A failure to clearly identify in strategic documents its core business of natural resource management with the result that scarce resources have not always been directed to priorities linked to this core business;
- A long standing critical lack of Statewide consolidated information on both environmental assets and overall resources which could be used to support key decision-making. For example, environmental management information on the existence of flora and fauna species in parks, the overall condition of these species and data on pest plants and animals had not been systematically collated for reference or research purposes or to guide future programs. In addition, important resource information on staffing, revenue and expenditure streams, equipment and materials (including their condition) and physical infrastructure such as park facilities has not been readily available for planning and management purposes, and any information which could be used was often incomplete or outdated to meaningfully benefit decision-making;
- Inadequate consultation with some external parties with direct involvement or interest in the management of the parks system. For example, there was a clear need for a more focused and productive relationship with Tourism Victoria to overcome the NPS's lack of tourism industry expertise and to capitalise on strategic opportunities involving tourism development in parks where such opportunities were complementary to its natural resource management role;
- Very limited attention directed to Statewide strategies designed to obtain and analyse the views and levels of satisfaction of visitors to parks. As a consequence, vital strategic information on, or obtained from, visitors such as time trends on numbers, demographic profiles and measures of expressed satisfaction with parks and facilities (and, in turn, perceived necessary improvements) has not been captured to augment decisions on the direction and use of scarce operational and capital funding allocated to the NPS;

- A general absence of priority or significance attached to performance management and reporting. It followed, therefore, that periodic and consistent tracking of performance against strategic targets was not undertaken on a scale which would enable local and head office scrutiny of performance and the channelling of results into course corrections or future planning; and
- Major delays in the development of management plans for individual parks. At the time of the audit review, only 18 of a total of 89 plans had been finalised with 30 plans still to be commenced. These plans, the preparation of which forms part of the Director's responsibilities under the legislation, constitute the principal basis for formulation of management strategies designed to accommodate the particular characteristics or features of individual parks. As a result, there has been restricted integration of management plans into the NPS's strategic processes and its budgetary allocation of scarce resources across parks.

4.13 Shortcomings in the NPS's strategic management processes have precluded it from accurately measuring its past effectiveness in the management of parks and conservation reserves.

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Department agrees with the Auditor-General's observations and comments that a number of factors have contributed to this situation. A major cause has been the failure to reform management procedures at the time of a rapid increase in area of the parks and reserves system from approximately 1 million hectares in 1984 to about 3 million hectares in 1993. A key objective of the NPS in the coming years is to consolidate and enhance the management of the State's parks and reserve system. The establishment of a single focus NPS as one of the 5 businesses within CNR with clear accountability for park management is contributing significantly to overcoming the concerns identified by the Auditor-General, as is highlighted by the Auditor-General's conclusions in paragraphs 4.14 to 4.18 and 4.30.

**POSITIVE INITIATIVES BY
THE NPS TO STRENGTHEN ITS STRATEGIC MANAGEMENT OF PARKS**

4.14 In presenting the above deficiencies in the NPS's strategic management processes, it is appropriate for audit to emphasise the momentum for positive change which characterised the NPS's management environment at the time of commencement of the audit review. In terms of audit's initial impressions, it was the most striking feature formed of the organisation.

4.15 The NPS's mission statement, as documented in the Department's 1993-1996 Corporate Plan is *"To ensure that Victoria's magnificent system of National Parks and Conservation Reserves is managed in accordance with world's best practice"*.

4.16 With this highly-challenging and ultimate goal in mind, the NPS is embarking upon a range of important initiatives which are aimed at systematically redressing its past problem areas. In this regard, the NPS is progressively laying the foundation for establishment of a substantially-strengthened strategic management framework which will enable it to more meaningfully assess its effectiveness in the management of parks.

4.17 The various improvement initiatives, which were commenced during 1994-95 and are summarised below, include:

- revisions to Head Office management structure;
- implementation of business planning;
- introduction of service agreements;
- formation of NPS Strategy Group;
- review of management planning processes;
- convening of a national best practice program for parks management;
- establishment of a Joint Liaison Committee with Tourism Victoria;
- formation of a Tour Operators Advisory Committee; and
- development of a marketing strategy.

Revisions to NPS management structure

4.18 Following the appointment of the current Director of the NPS in December 1994 and in the context of preliminary recommendations made by audit, the Head Office function of the NPS was recently reorganised to achieve better service delivery to the field and allow staff to focus on priorities in line with business plans and service agreements.

Implementation of business planning

4.19 As part of the Department's 1994-95 *Working Business Plan*, the NPS has prepared a Business Plan for the year outlining the following areas for action:

- preparation of management plans for all national and wilderness parks and some State parks;
- preparation of pest plant and animal strategies for all national and wilderness parks and some State parks;
- implementation of programs to monitor the environmental condition of wilderness parks and parks in the Mallee region of the State;
- development of 3-year rolling budgets and work programs for all parks;
- expansion of volunteer involvement in park and reserve management;
- provision of new quality visitor services, walking tracks, look outs and viewing facilities, toilets and parking to improve visitor opportunities, access and accommodation and enhance tourism;
- attention given to boosting access by disabled and elderly visitors and visitors with young children;
- the conduct of promotional campaigns and production of new promotional literature;
- implementation of a targeted program of upgrading road and track access to enhance the range of opportunities for car-based (2 and 4 wheel drive) touring and enjoyment of the parks system; and
- development of appropriate facilities including cabin accommodation associated with long distance trails and walking tracks, camping areas and tourist orientation centres.

Introduction of service agreements

4.20 In keeping with the Government's resource management strategies, service agreements were introduced by the Department in 1994, as service delivery contracts between departmental Directors and Area Managers and departmental Area Managers and functional managers in each of the Department's businesses. The agreements specify how funds will be allocated, the expected results and performance indicators to evaluate actual outcomes against planned targets. The introduction of service agreements is intended to:

- provide a framework for measuring and reporting outcomes;
- facilitate evaluation of the performance of managers; and
- enable the use of market mechanisms such as price signals and direct negotiation of service costs, as well as quantitative and qualitative evaluative factors, between *purchasers* and *providers* of services within the NPS.

Formation of the NPS Strategy Group

4.21 The NPS Strategy Group was established in October 1993 by the Director of the NPS to:

- provide advice on the implementation of future directions and priorities for the management of parks and reserves;
- identify issues at an operational level that require a co-ordinated approach;
- furnish advice on the implementation of the business plan for parks and reserves; and
- communicate the directions of the NPS and desired management outcomes to Area Managers and parks staff.

4.22 Following consideration of the Department's Corporate Plan, the NPS Strategy Group identified key result areas for 1994-95 and established a total of 18 working groups to cover a wide range of areas such as delegations, tourism, cross-business relations, works planning and park standards. Due to completion of certain tasks and some rationalisation, the number of groups has been reduced to 6 to ensure a stronger focus on the subject matters which now relate to:

- training and development;
- revenue review;
- ecological monitoring;
- information management;
- service culture; and
- tourism and visitor services.

Review of management planning processes

4.23 The Director of the NPS has a legislative obligation to ensure that management plans are produced for all parks scheduled in the *National Parks Act 1975*. These plans constitute the principal basis for formulation of key management strategies for a particular park. In order to overcome the substantial delays experienced with the production of management plans, the NPS has implemented a strategy which is designed to streamline the planning process and enable finalisation of either a management plan or a strategic statement for each park by 1996-97.

Convening of a National Best Practice Program for Park Management

4.24 In September 1994, the Australian and New Zealand Environment and Conservation Council Standing Committee (comprised of the Chief Executive Officers of the Australian and New Zealand parks services) agreed, in principle, to the establishment of a best practice program to be developed by a sub-committee of its Working Group on National Parks and Protected Areas Management. The NPS is the convener of this sub-committee which also comprises representatives of the New South Wales, Tasmanian, Western Australian and South Australian parks services. In its role as convener, the NPS has been instrumental in establishing a strategic partnership between all Australian State parks services to facilitate the pursuit of a best practice program.

Joint Liaison Committee with Tourism Victoria

4.25 In 1994, the NPS and Tourism Victoria established a Joint Liaison Committee to formalise the co-operative relationship between the 2 agencies, with particular emphasis on the management of matters of mutual interest in the tourism area.

Formation of a Tour Operators Advisory Committee

4.26 In 1995, the NPS established a Tour Operators Advisory Committee to advise the Department on the following issues:

- co-operative opportunities to optimise the conduct of tour operations on public land in Victoria;
- training needs of tour operators and their staff with respect to visits to public land;
- management of tour operations using public land including accreditation, licensing and promotion; and
- trends in demand in tour operations wishing to use public land in Victoria and suggestions for managing such trends.

Development of a marketing strategy

4.27 In early 1995, the Director of the NPS commenced the development of a marketing strategy incorporating up to 14 different proposed actions which aim to achieve:

- increased tourism activity and investment in Victoria;
- public recognition of staff efforts;
- an expanded revenue base for funding of additional resources;
- enhanced awareness of, and access to, private sector investment; and
- greater opportunity for sponsorship.

CONCLUDING AUDIT COMMENT

4.28 More detailed references to the above matters are presented, as necessary, in later sections of this Report. It is important to be mindful of the fact that the NPS's extensive change program is still in its early stages when analysing the relevant audit comments. It is also important to recognise that the magnitude of the change program from a structural and cultural perspective will mean that progress is likely to be gradual. Major challenges for the NPS will be to ensure that the momentum of change is adequately maintained and that the ultimate results of the various initiatives are effectively implemented across all operational areas.

4.29 In this regard, there is no doubt, in audit opinion, that the professionalism and commitment of the Director and all Rangers and other NPS staff will prove, as has been the case with the many past departmental restructures, to be a most valuable asset to the organisation.

4.30 In summary, the NPS is moving to progressively strengthen the quality of its strategic management of the State's parks and conservation reserves. In pursuing a vigorous program of change, the NPS needs to adopt a co-ordinated approach which will allow it to identify and maintain a focus on all significant issues. In doing so, it will be in an increasingly-sounder position to assess the effectiveness of its performance in its important areas of responsibility and communicate results to the Parliament and the community.

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Department notes the Auditor-General's comments on current actions within the NPS to strengthen strategic management and accepts the recommendations on the need for the NPS to have mechanisms in place to ensure a co-ordinated and strongly focused approach to management of the State's parks and reserves.

Part 5

The move towards best practice

OVERVIEW

5.1 With a mission to achieve world's best practice in the management of parks and conservation reserves, the NPS currently faces the significant challenge of developing and implementing minimum performance standards. Such standards will need to encompass all elements of park management to facilitate adequate preservation and protection of parks.

5.2 Moves by the NPS to establish benchmarking alliances with Australian and international parks organisations are pro-active strategies which should assist its pursuit of best practice.

5.3 The recent introduction of service agreements within the NPS is likely to lead to enhanced resource management across the parks system. However, the significant delays in completion of park management plans and a need for more consistency and greater coverage in ecological monitoring practices are 2 of the more significant matters which have necessitated extensive review by the NPS.

INTRODUCTION

5.4 As previously outlined in Part 4 of this Report, the mission of the NPS is to *"... ensure that Victoria's magnificent system of National Parks and Conservation Reserves is managed in accordance with world's best practice"*.

5.5 Extensive research undertaken by audit during the course of the review indicated that very limited material was available on universally accepted world's best practice in park management. Further, the Australian Nature Conservation Agency (ANCA) confirmed, during discussions with audit, that there are no documented minimum standards for management of national parks in Australia.

5.6 While the Australian and New Zealand Environment and Conservation Council (ANZECC) has formally adopted an international definition of national parks, which has been further adapted by the States to reflect their individual environments, common minimum standards for park management in Australia are yet to be developed.

5.7 The NPS is yet to address the difficult task of formulating minimum standards for park management, however, as a result of participating in ANZECC's best practice program, it could be in a position to formulate such standards in the future.

5.8 Given the nature of the NPS's mission to achieve world's best practice in the management of parks and conservation reserves, and the current absence in Australia of minimum standards for park management, the audit review in this area encompassed an examination of:

- the implications to the NPS of a lack of minimum performance standards; and
- an assessment of the potential benefits to the NPS of undertaking benchmarking research with counterpart bodies, both interstate and overseas.

5.9 Audit also examined the current status of the following activities within the NPS which constitute important sources of evaluative criteria either established by, or available to, the organisation to assist its pursuit of best practice:

- park management plans;
- service agreements;
- a strategic partnership agreement with Melbourne Parks and Waterways on benchmarking;
- participation in ANZECC's best practice program;
- outcomes of the working party on ecological monitoring;
- outcomes of the working party on park standards;
- environmental monitoring in various locations, including the Rabbit Control Program in the Mallee; and
- the role of the National Parks Advisory Council.

5.10 The identification of avenues which might enable the NPS to further enhance its capacity to progress towards best practice in park management was a specific focus of the work undertaken by audit.

IMPLICATIONS OF A LACK OF MINIMUM STANDARDS IN THE MANAGEMENT OF PARKS

5.11 As previously mentioned, the management of national parks is the responsibility of the States which have differing categories of parks and criteria for classifying them. As such, uniform standards for all States would not be appropriate and would be difficult to achieve in the short-term. From a national viewpoint, the Australian Nature Conservation Agency (ANCA) believes that this situation is best resolved by the development and application of agreed common nomenclature and a best practice program to facilitate consistency of management in parks throughout Australia.

5.12 By the very nature of parks and the unique characteristics which influence their declaration, the goal of uniformity by park managers is viewed as most undesirable. However, the ANCA view is that, if there is little consistency in how national parks are defined and managed, it affects the credibility of the nomenclature to the point where it is insignificant. For example, parks should only be labelled as national parks if they are truly representative from a national perspective.

5.13 The ANCA considers that such consistency between the States is a vital prerequisite for adoption of a national focus by Australia's park system. This national focus is considered important because, only by adopting a national focus in the categorisation and management of national parks, can a truly nationally representative parks system be achieved.

5.14 In terms of the Victorian position, the NPS has not developed a best practice program encompassing minimum standards against which its management of individual parks can be evaluated and measured. In essence, Rangers-in-Charge have been required to manage parks in accordance with the NPS's *Guidelines and Procedures Manual* and their individual perceptions of an acceptable standard, or where there is a management plan in place, according to the prescriptions contained therein. Consequently, the nature and extent of services and facilities vary throughout the park system.

5.15 It follows that the absence of minimum standards has made it difficult for the NPS to be satisfied that its allocation of scarce resources to priorities within the park system has been soundly based. For example, if minimum standards were in place, it is likely that greater attention would be given to those parks where facilities were identified to be in poor condition. Under the resource allocation arrangements which have existed to date within the NPS, there has been no certainty that parks with facilities well below acceptable standards would have automatically attracted specific funding consideration.

5.16 In visits to parks, audit observed that the quality of facilities in Victorian parks varied markedly, with inconsistency across the system in both the condition and design of key facilities such as toilets, signage, walking tracks and picnic areas.

5.17 Also, roads within parks which are the responsibility of the NPS were of poor quality, often riddled with pot holes and heavily ridged. The condition of hand rails and safety walls varied and, in some cases, did not provide, in audit opinion, adequate protection to visitors. In addition, audit observed that certain signs seemed too small to provide sufficient warning of danger and a number of signs were so badly vandalised that the message of the sign could no longer be discerned.

5.18 Audit considered that the variation in facilities across parks warranted urgent attention by the NPS.

**Picture Not
Available**

Picnic and camping facilities for visitors at Hattah-Kulkyne National Park.

5.19 It was pleasing to find that, in recognition of the need for corrective action, the NPS had convened, in late 1994, a special working party to develop minimum standards for visitor facilities such as camping areas, car parks, barbecues and information boards in parks. The aim of this working party is to consider the needs of the NPS in this area and provide guidance to staff to ensure consistent practices are adopted in all parks.

5.20 To complement the results of this working party, the NPS has also instigated a review of all visitor facilities in parks and reserves which aims to identify the number, type and condition of all visitor facilities.

5.21 The NPS expects that the results of these recent initiatives will establish a basis for achieving greater consistency in the quality of facilities available to park visitors and for allocating resources more effectively.

AVENUES AVAILABLE TO THE NPS IN THE DEVELOPMENT OF MINIMUM STANDARDS

5.22 The importance of minimum performance standards extends beyond consistency in the condition of facilities within parks to encompass all elements of park management.

5.23 In discussions with the NPS on the development of minimum standards, audit suggested that attention be directed towards the specific nature and purpose of each park and reserve and the various actions necessary to ensure adequate preservation or protection of unique attributes or characteristics. An approach based on categories of parks, either according to regional distribution or other specific category such as national or State park, or in terms of visitor numbers, would also be worthy of consideration.

5.24 Drawing on its many discussions with NPS staff and on information gathered during the review, audit prepared a list of minimum attributes which, while not exhaustive, could be considered as minimum standards for parks:

- adequate land management programs which ensure appropriate ecological management of the park, including systematic and regular monitoring of indigenous and exotic flora and fauna;
- an operational plan which sets out the major work tasks to be achieved (including programs originating in other divisions of the Department such as fire protection, flora and fauna etc.), as well as a capital works plan;
- an approved management plan incorporating a range of performance measures and targets against which the management of the park can be assessed;
- clear identification of all significant features of the park which require preservation and protection;
- public access and opening hours which should balance community expectations with the needs of good park management practices;
- specified minimum standards of visitor facilities covering toilets, signage, weather shelters, barbecues, picnic areas and seating;
- availability of good quality printed information about the park, setting out its significant features, points of interest and listing all visitor facilities;
- adequate walking tracks of varying degrees of difficulty to cater for a variety of visitor needs and intentions;
- the use of interpretation and community education programs which meet public demand;
- procedures in place for the involvement of *Friends of Parks* groups and other volunteers; and
- sufficient staffing arrangements to meet the various demands on park managers, such as the high profile expected of Rangers, and consistent patrolling activity in parks where there is substantial visitor use.

5.25 In addition, audit suggested that the NPS examine approaches followed by Melbourne Parks and Waterways in assessing the effectiveness of park management practices. That organisation has separated its park services into 2 categories, namely *essential services* (or minimum standards) and *discretionary* (or additional) *services*.

5.26 Essential services are those services which any member of the public could reasonably expect to find in any park managed by Melbourne Parks and Waterways including such matters as clean toilet facilities, safe children's play areas and weather shelters. Additional services extend beyond minimum expected services to cover discretionary facilities which may be provided either on a "users-pay" basis or when a separate funding source has been identified. These services include such things as restaurants, kiosks and hire of recreational equipment.

5.27 Melbourne Parks and Waterways has also developed, as part of its benchmarking activities, some useful performance indicators for the assessment of its overall performance including:

- customer satisfaction with recreational settings;
- community satisfaction with management of assets;
- cost per visitor;
- cost per hectare owned/managed; and
- cost per hectare opened to the public.

5.28 While all of the indicators developed by Melbourne Parks and Waterways may not be directly relevant to the NPS, they do constitute reasonable measures of performance and would be beneficial to it in establishing a basis for comparison of performance with other organisations.

5.29 Scope for positive dialogue and exchange of information on management practices between the NPS and Melbourne Parks and Waterways has been enhanced through NPS's membership of a strategic benchmarking partnership forged by Melbourne Parks and Waterways with several Australian organisations.

5.30 In addition, as mentioned previously in Part 4 of this Report, the NPS has been instrumental in establishing a strategic partnership between all Australian State parks services to jointly pursue a best practice program. The Director of the NPS advised audit that he also intends to establish links with overseas parks organisations to complement the organisation's pursuit of world's best practice.

5.31 **The development and use by the NPS of minimum performance standards covering all relevant management issues needs to be viewed as an essential initial step if it is to make meaningful progress towards achievement of best practice in parks management.**

5.32 **The establishment by the NPS of benchmarking alliances with Australian and international parks organisations is an important pro-active strategy to support its pursuit of world's best practice.**

PARK MANAGEMENT PLANS

5.33 Park management plans establish the key management strategies for a particular park. The Director of the NPS has a legislative obligation to ensure that management plans are produced for all parks scheduled in the *National Parks Act 1975*.

5.34 While, during discussions with audit, most park managers considered that management plans were an effective management tool, major delays in their finalisation and other shortcomings have impeded the quality and usefulness of the management planning process.

Delays and difficulties in finalisation of management plans

5.35 Table 5A illustrates the substantial delays which have been experienced by the NPS in meeting its legislative obligation to produce plans for all scheduled parks.

**TABLE 5A
NATIONAL PARKS SERVICE,
STATUS OF MANAGEMENT PLANS, AT NOVEMBER 1994**

<i>Category of park (and no.)</i>	<i>Management plans completed</i>	<i>Draft plans or strategies completed</i>	<i>Draft plans or strategies in progress</i>	<i>Plans or strategies not commenced</i>
National parks (32)	9	8	10	5
State parks (29)	5	7	5	12
Marine and coastal parks (7)	-	4	2	1
Wilderness parks (3)	2	-	1	-
Other parks (18)	2	2	2	12
Total (89)	18	21	20	30

5.36 The above table shows that of a total of 89 plans, only 18 had been completed and 30 plans had not been commenced. Because of the quite limited progress achieved to date in what appeared to be a significant element of the management process, audit sought to establish the underlying causes for the position.

5.37 Audit ascertained that the production of management plans has traditionally been regarded by the NPS as fundamental to the proper management of parks. However, for many years, the preparation of plans has been limited because of the complexity and extensive magnitude of the task, with the result that scarce resources were often diverted away from the development of plans to attend to day-to-day management activities.

5.38 The NPS advised audit that management plans were very complex documents which involved numerous steps prior to completion. These steps included the need to arrange for high levels of public consultation and to obtain agreement on future strategies from a likely diversity of views and opinions. Also, considerable resources are usually absorbed in the consultative process and in ensuring that the final document is suitable for public viewing.

5.39 Some indication of the dimensions of the task and the difficulties experienced by the NPS in the development of management plans can be gleaned from Table 5B below which shows the extent of elapsed time associated with all finalised plans.

TABLE 5B
ELAPSED TIME ASSOCIATED WITH APPROVED MANAGEMENT PLANS

<i>Park</i>	<i>Finalised date</i>	<i>Elapsed time (approximate years)</i>
Alpine National Park	Sept. 1992	6
Barmah State Park	Sept. 1992	4
Baw Baw National Park	Sept. 1992	2
Big Desert Wilderness Park	July 1994	3
Cathedral Ranges State Park	Feb. 1984	4
Dandenong Ranges National Park	June 1991	5
Grampians National Park	Oct. 1984	2
Lower Glenelg National Park	May 1991	7
Lysterfield Lake Park	Dec. 1986	1
Mt Arapiles-Tooan State Park (Mt Arapiles Unit) (a)	June 1991	5
Point Nepean National Park (Point Nepean Section)	June 1989	3
Port Campbell National Park	June 1990	6
Reef Hills Park	Dec. 1987	2
Tyers Park/Moondarra State Park (a)	May 1991	6
Warrandyte State Park	June 1990	3
Wilson's Promontory National Park	June 1987	2

(a) 2 plans.

Source: National Parks Service.

5.40 With such extended timeframes, the costs associated with the planning process would be substantial. In this regard, audit found that **the NPS could not identify aggregate costs incurred in the production of plans and did not monitor the adequacy of progress or the level of incurred costs for individual plans. In short, it was not in a strong position to determine its overall efficiency for such a key element of its operations.**

5.41 The major consequence of not having management plans in place for all parks is that those parks without plans would not have been subject to extensive public consultation and internal scrutiny within the NPS, as required by the Act, on the optimum use and management of the parks, having regard to their particular characteristics and features. In such circumstances, reliance has to be placed on the judgement of Rangers-in-Charge as to appropriate management practices for these parks.

5.42 While audit has no doubt that the majority of Rangers would have exhibited sound management judgement in their areas of responsibility, many Rangers indicated, during discussions with audit, that they would prefer to have a management plan in place to guide them in the day-to-day management of their park, particularly where there is some specific public focus or interest associated with their activities.

5.43 Another significant implication of delays in completion of management plans continues the theme addressed in earlier paragraphs on the importance to the NPS of minimum performance standards.

5.44 Clearly, without management plans in place for all parks, the NPS has been unable to achieve total consistency in its management standards. Although it has a system of guidelines to assist staff with various aspects of park management, the absence of plans in all cases means it cannot be assured that management practices, consistent with its established standards, have been applied across the parks system.

5.45 **The critical position concerning the lack of timeliness and efficiency in the finalisation of management plans at the NPS is incompatible with its aspiration to achieve world's best practice and requires early corrective action.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

When the NPS was created in 1993 it inherited a position where the majority of parks had no management plan in place. This is being rectified, as the NPS has a commitment to having a management plan within 2 years for all national parks, wilderness areas and State parks. During 1995-96 and 1996-97, specific funding will be provided to complete this task. Several plans will be completed by the NPS and the preparation of other management plans will be contracted-out.

Important initiatives by the NPS to rationalise planning process

5.46 In order to accelerate the production of plans and contain related costs, the NPS has recently embarked on a major initiative involving implementation of a management planning strategy.

5.47 The principal aims of the strategy are to streamline the planning process and achieve preparation of a quality strategic management plan for each park by 1996-97. The strategy also aims to ensure that the cost of preparing and producing management plans is integrated into the NPS's budgeting process. Where it is anticipated that the production of a full management plan will extend beyond 1996-97, the NPS intends to produce a strategic management statement to provide a framework of management directions for the particular park, pending finalisation of a management plan.

5.48 Audit was advised that implementation of the strategy to date has resulted in the adoption of a more concise management planning format as well as the identification of avenues to streamline the planning approval process. A kit has also been prepared for staff to provide guidance in the preparation of the plans.

5.49 In discussions with the NPS on its recent initiative, audit suggested that a project manager be appointed with responsibility for monitoring financial and other progress milestones to ensure completion of plans within acceptable timelines and budgets. In addition, the use of external consultants to supplement internal resources, particularly at times of major staff changes, also warranted consideration.

5.50 **Close monitoring of progress against planning goals, under its new management planning strategy, will need to be a priority within the NPS.**

INTRODUCTION OF SERVICE AGREEMENTS

5.51 Service agreements between purchasers and providers of services, and involving either or both internal and external parties, are rapidly emerging as a key element of the Government's resource management strategies in Victoria.

5.52 In line with this direction, the Department has implemented service agreements across its 5 major businesses. The first series of agreements in the NPS were introduced in 1994-95 and the process of preparation of new agreements for 1995-96 was underway towards the conclusion of the audit review.

5.53 In the context of the NPS's operations, service agreements basically act as service delivery contracts between departmental Directors and Area Managers and departmental Area Managers and NPS functional managers. Through the inclusion of performance indicators, the agreements are expected to be a major accountability mechanism for controlling and improving the cost and quality of service delivery within the NPS.

5.54 Not unexpectedly, the NPS experienced some teething problems in formulating its first round of service agreements. According to the Manager of the NPS's National Parks and Reserves Branch, the service agreements were produced very quickly, due to the short lead time for their development and, as such, only limited opportunity was available for key actions such as consultation with staff, circulation of agreements for information-sharing between the Head Office and field locations and ensuring that all relevant information was documented.

5.55 It followed that the 1994-95 service agreements did not accurately reflect the full range of activities and responsibilities of NPS staff such as financial management, personnel management, liaison with clients, and ongoing maintenance of facilities.

5.56 Audit also established that much scope existed for improving the quality and usefulness of performance information recorded in agreements. The performance indicators listed in most of the service agreements were more in the nature of targets rather than measures to gauge the extent of achievement of targets.

5.57 For example, one service agreement had identified a target in the following terms "... *historic buildings and cultural sites maintained* ...", without any additional details on the number of sites or the standard of maintenance intended to be achieved. Another agreement indicated that 792 kilometres of walking track would be maintained with no indication of the current state of the track or what standard of condition was aimed for over the ensuing year.

5.58 In making the above comments, audit does not wish to convey an ultra-critical impression of the progress achieved to date with the early use of service agreements within the NPS. Rather, the nature of the learning curve which has been experienced is to be expected for such a significant progression in the use of mechanisms for upgrading resource and performance management.

5.59 **The NPS is confident that its use of service agreements will become increasingly more advanced and effective as a major means of enhancing resource management in parks. It will be important that information gained through planned quarterly reviews of service agreements is consolidated for use in management decision-making processes.**

ENVIRONMENTAL MONITORING

5.60 With its core business directly related to functions associated with natural resource management, it is important that the NPS has in place strong systems for environmental monitoring of parks and for periodic measurement of its performance in this field.

5.61 According to the NPS's *Guidelines and Procedures Manual*, environmental monitoring encompasses:

- n "... the assessment of changes in the condition of the biological and physical features of parks as a result of natural processes, visitor use and management practices; and*
- n levels, patterns and trends of visitor use and the perceptions and satisfaction of visitors".*

5.62 The guidelines issued by the NPS to staff describe the purpose of monitoring as "... to detect change in a particular condition over time through systematic observations ..." and further state that "... although monitoring and research are often linked, monitoring differs in that it generally uses established techniques to observe, record and interpret data for the regulation or guidance of management activities".

5.63 In 1994, the Australian Government published its *State of the Environment Reporting: Framework for Australia*. The document maintains that "... state of the environment reporting is one of the most powerful tools for informing the public about their environment. It describes the effects of human activities on the condition of the environment and the implications of this for human health and economic well-being. It also provides the opportunity to actively, directly and accountably monitor the performance of government policies against actual environmental outcomes ...".

5.64 Environmental monitoring is clearly a practice which is intrinsic to the NPS's fundamental role as protector of the State's parks and reserves. It follows, therefore, that the quality and effectiveness of its activities in this area assume prominence whenever assessments are made of the organisation's progress in achieving best practice in the management of parks.

5.65 **The significance of environmental monitoring also means that, as a major land manager in Victoria, the NPS should be ensuring that it clearly documents for national purposes, the state of the environment within its ambit of responsibility.**

□ *RESPONSE* provided by Secretary to the Department of Conservation and Natural Resources

The Department agrees with Auditor-General and comments that the NPS is taking a number of actions to improve the performance in this area, including greater use of modern technologies, e.g. remote sensing, improved use of existing information systems and development of new information databases for parks and reserves. The concurrent action on management plans will assist in improving the environmental monitoring performance of the NPS.

Environmental monitoring practices

5.66 The audit review found that the NPS and its predecessors have been inconsistent in applying environmental monitoring practices across the State's parks system. While, during visits to parks, audit was able to observe at first hand some environmental monitoring practices in the field, consistent application of these practices and adequate budget allocations for this purpose across the parks system had not been achieved.

5.67 There has been some evaluation of specific programs such as the Rabbit Control Program in the Mallee district, however, other programs such as across-the-board initiative funding activities dealing with pest plants and animals, had not been systematically evaluated to ascertain their environmental impact or to provide information on future directions for the programs.

5.68 It was also evident that environmental information collected in the field generally remained within the particular location from which it originated and this information was not consolidated for future research or reference. Further, the information had not been utilised for management functions such as strategic planning and resource allocation within the NPS.

5.69 One of the reasons advanced by the NPS for the limited level of monitoring was that, in wilderness parks and parks with low visitor numbers, no specific environmental management activity had taken place and, therefore, no monitoring was necessary. While audit accepts this position, it considers that monitoring is still important in order to detect any environmental changes in these parks.

5.70 Most Rangers contacted by audit attributed a lack of emphasis within the NPS on environmental monitoring and evaluation to resourcing factors. In this regard, it was felt that for many years priority has been directed towards visitor infrastructure including camping grounds, picnic tables, toilets and recreational facilities such as walking tracks, at the expense of less visible environmental monitoring activities. Further, as environmental monitoring is not a conclusive act in itself, but one that generally establishes the need for further action, it has been accorded less emphasis than other activities where results are more immediate and tangible.

5.71 **From its work in this area, audit concluded that the NPS needed to direct greater attention to the consistency and coverage of its environmental monitoring practices.**

5.72 It is appropriate to mention that the NPS has recently established a pilot position of Environmental Monitoring Officer in the North West area of the State. This initiative should assist it in determining the feasibility of pursuing similar action in other areas as well as providing valuable supplementation for the environmental work carried out in the Mallee district.

□ **RESPONSE** provided by Secretary to the Department of Conservation and Natural Resources

The Department agrees with the need for greater consistency and coverage of environmental monitoring. The recently-created position of Environmental Monitoring Officer in the North West is a first step towards reversing the long-term absence of proper environmental monitoring.

**Picture Not
Available**

Rangers monitoring a protected bird life habitat at Croajingolong National Park.

NPS Ecological Monitoring Working Group

5.73 In recognition of the need for a greater focus on environmental monitoring, the NPS has convened a working group to deal specifically with the subject. This group has already prepared a suite of actions which, when further developed, should provide an excellent basis for systematic environmental monitoring and development of environmental performance indicators. Some of these actions include:

- „ *priorities for environmental management being built into service agreements;*
- „ *initiative funding being provided to stimulate survey and associated research;*
- „ *overview of strengths and weaknesses of knowledge of information at a park level;*
- „ *service-wide commitment to training, education and implementation;*
- „ *better working relationships between the NPS and the FFF (Flora, Fauna and Fisheries Division of the Department);*
- „ *improved management and information systems; and*
- „ *improved relationships with universities and other external groups.*"

5.74 In discussions on the activities of the working group, audit suggested that consideration be given to pursuit of avenues available for consolidating environmental management information for the purposes of strategic planning and decision-making activities.

5.75 **It will be important that the NPS ensures a high priority is accorded to the tasks undertaken by the Ecological Monitoring Working Group and that adequate resources are allocated to facilitate effective implementation of all recommendations ultimately adopted by the NPS.**

NATIONAL PARKS ADVISORY COUNCIL

5.76 The National Parks Advisory Council (NPAC) is a body established under the *National Parks Act 1975* to provide the Minister with advice on the administration of the legislation. Section 11 of the Act describes the advisory functions of the NPAC as: "... *advising the Minister generally in relation to the administration of the Act and on particular matters in relation to that administration on which its advice is sought by the Minister ...*".

5.77 The Act also provides for the Minister to table a copy of the NPAC's Annual Report before both Houses of the Parliament. The *1993-94 Annual Report* of the NPAC was presented to the Parliament in November 1994.

5.78 The membership of the NPAC comprises:

- the Director of the NPS;
- 4 people representing community interests, nominated by the Minister (with 2 residing outside the metropolitan area);
- one representative selected by the Minister from a panel of 3 names submitted by the Victorian National Parks Association;
- one representative selected by the Minister from a panel of 3 names submitted by the Municipal Association of Victoria;
- one representative selected by the Minister from a panel of 3 names submitted by the Conservation Council of Victoria; and
- one professor or teacher of ecology, biology or earth science at a university in Victoria who is nominated by the Minister.

5.79 The NPAC meets monthly to discuss issues relevant to the parks system and to formulate advice to the Minister. Its members also collectively visit several parks during the year to discuss topical matters with Rangers and other NPS staff. The members are not paid for their services and are only reimbursed for direct expenses incurred in park visits. As with many other non-employed personnel involved with parks, the members show a high level of commitment to the quality of park management and devote much effort to this responsibility.

5.80 The concerns of the NPAC, as reported in its annual reports, have followed a similar pattern over the last 5 years. The *1993-94 Annual Report* was particularly critical of the acute delays in finalisation of management plans, which were discussed by audit in earlier paragraphs of this Report. Other issues raised by the NPAC with the Parliament have been the lack of monitoring by the NPS of the natural values in some parks and the need for tourism in parks to be consistent with their primary objective of nature conservation. Audit was advised by the NPS that many of these issues had been identified within the organisation prior to the raising of the matters by the NPAC. In other words, it was the view of the NPS that very few new issues had been raised by the NPAC.

5.81 The NPAC indicated to audit that its effectiveness is limited by a lack of research resources, e.g. it considered that a full-time research officer could be particularly helpful to its advisory role.

5.82 Given the existing resource constraints and the important strategic matters under examination by the various working groups within the NPS, there would seem to be merit in targeting the NPAC's review program to key priority issues, e.g. the examination of environmental monitoring practices within parks.

5.83 **Because of the importance of the NPAC's independent advisory role, a re-assessment of its functions would help to ensure that the most effective process for provision of advice to the Minister was in place.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Department agrees with the Auditor-General's observations on best practice management. It is confident that actions which have already been put in place and identified by the Auditor-General will result in improved management of parks and reserves by the NPS. To support improvements in park infrastructure and provide new facilities for park visitors in 1994-95, \$2.565m has been provided for capital works. In 1995-96, \$2.660m has been allocated for new works in parks and reserves.

Part 6

Tourism development and visitor services

OVERVIEW

6.1 Formalised processes for managing tourism development proposals involving the NPS have not been established. As a result, varying criteria and philosophical values have been applied to related decision-making. Resources have also often been directed to particular areas or projects without assessing their potential against other competing priorities facing the NPS.

6.2 In some cases, there have been attempts to pursue ideas without adequate investigation of all aspects and, more importantly, without considering whether the NPS should even be involved in certain ventures. For example, it is arguable whether resort or accommodation management is the NPS's core business.

6.3 Currently, the Department does not have a tourism strategy, although the NPS has participated in or directed the preparation of several regional tourism strategies and the formulation of tourism-related goals in Tourism Victoria's *Strategic Business Plan* and the Department's *Corporate Plan*.

6.4 The Department's Tourism and Visitor Services Section has commenced the identification of key tasks and actions for 1994-95 to enable the Department to address some of the emerging tourism issues, however, the central debate of recreation/tourism versus conservation remains open and unresolved.

6.5 The State could derive great benefit from the NPS encouraging stronger tourism development in and around parks, however, it will only be in a position to do so if it alters some of its internal practices and extends a consultative role to external agencies and stakeholders.

6.6 By adopting a more consultative approach in its dealings with the tourism industry, the NPS would be in a sounder position to more directly influence the nature and extent of tourism development that could potentially occur within parks. In so doing, it could continue to protect the parks in its care and maximise potential revenue streams specifically in respect of its own budget and of the State economy generally.

6.7 Given the level of funding required to manage its expanding land base and maintain its operations, the NPS needs to consider all avenues which might allow it to contribute to its own budget as well as that of the State.

INTRODUCTION

6.8 Government policy documents issued prior to the October 1992 election serve to reinforce its view on the tourism potential of the State's national parks.

6.9 The Government's 1992 *Jobs in Tourism* policy conveyed the opinion that, in reference to parks, "... the advancement of this natural resource has not been coordinated and promoted as a tourist attraction. ... [The] Government will give a high tourism priority to the promotion of ... parks and develop magnificent hikes and walks through our National Parks ...".

6.10 The Government has also stated, in its *Conservation and Land Management Policy*, that "... more could be done to facilitate and encourage Victorians, along with inter-state and overseas visitors to enjoy parks". In addition, it pledged that the Department would "... ensure that visitor information and assistance is given extra support ... and that general access to the park system should be actively facilitated". In this document, the Government acknowledged the risk that "... increased visitor levels could lead to parks being loved to death ..." but was "... confident that the value of extra tourism could be integrated with the need to protect Victoria's sensitive natural environment".

6.11 According to information contained in the Tourism Victoria publication *Victorian Tourism Fast Facts*, tourism is one of Australia's fastest growing industries and represents a major economic opportunity for Victoria. The publication indicates that at least 130 000 jobs are generated in Victoria by tourism and that tourism accounts for around 4 per cent of the State's Gross Domestic Product. It also estimates that international and interstate tourists spend more than \$2.4 billion in Victoria each year.

6.12 Table 6A below shows the top 15 attractions in terms of international tourist numbers to Victoria during 1993.

**TABLE 6A
TOP 15 VICTORIAN ATTRACTIONS
VISITED BY INTERNATIONAL TOURISTS,
YEAR ENDED 31 DECEMBER 1993**

<i>Attractions visited by international tourists</i>	<i>Visitors</i>
	('000)
Melbourne	731
Melbourne shopping festivals and events	540
Queen Victoria Markets	340
Royal Botanic Gardens	221
Phillip Island	220
Captain Cook's Cottage/Fitzroy Gardens	204
Melbourne Zoo	148
Victorian Arts Centre	124
The Twelve Apostles/Great Ocean Road	121
Museum of Victoria	115
Dandenong Ranges National Park	111
National Gallery of Victoria	107
Sovereign Hill	103
Healesville Sanctuary	73
Como House	57

Sources: Tourism Victoria Survey and International Visitor Survey undertaken by Bureau of Tourism Research.

6.13 The above table highlights that the Twelve Apostles/Great Ocean Road area, which features several national and State parks, and the Dandenong Ranges National Park were 2 of the main attractions visited in Victoria by international tourists in 1993, involving approximately 121 000 and 111 000 visitors, respectively.

6.14 In terms of attraction to both domestic and international tourists, some of Victoria's parks feature high levels of visitor numbers. The top 15 parks (in terms of public visitation) account for approximately 8.4 million visits (or about 80 per cent of total visits to all Victoria's parks, as scheduled under the legislation). Table 6B illustrates the level of visitors to these parks during 1993-94.

TABLE 6B
ESTIMATED NUMBER OF VISITS TO VICTORIA'S
15 MOST POPULAR AREAS MANAGED BY THE NPS DURING 1993-94
('000)

<i>Park</i>	<i>Visitor days</i>	<i>Camper nights</i>	<i>Total visits</i>
Point Nepean National Park	2 074	(a)	2 074
Grampians National Park	1 679	30	1 709
Dandenong Ranges National Park	1 054	(a)	1 054
Port Campbell National Park	705	38	743
Phillip Island Penguin Reserve	496	(a)	496
Angahook-Lorne State Park	386	40	426
Wilson's Promontory National Park	129	272	401
Alpine National Park	241	37	278
Mount Macedon Regional Park	201	(a)	201
Gippsland Lakes Coastal Park	185	15	200
Mt Buffalo National Park	138	52	190
Warrandyte State Park	185	(a)	185
Croajingolong National Park	154	31	185
Bay of Islands Coastal Park	169	(a)	169
Otway National Park	138	21	159
Total	7 934	536	8 470

(a) Park does not have camping facilities.

Source: National Parks Service.

6.15 It can be seen that Victoria's parks and reserves are significant attractions for domestic and international tourists.

EMERGING SIGNIFICANCE OF ECOTOURISM

6.16 In recognition of the emerging significance of ecotourism to Australia, the Australian Government released, in 1994, its *National Ecotourism Strategy* which examines issues associated with ecotourism and how it can be planned, developed and managed in the Australian context. The document defines ecotourism as "... *nature based tourism that involves education and interpretation of the natural environment and is managed to be ecologically sustainable*".

6.17 The Strategy identifies the following objectives for the development and management of ecotourism within Australia:

- *"Facilitate the application of ecologically sustainable principles and practices across the tourism industry;*
- *Develop a strategic approach to integrated regional planning based on ecologically sustainable principles and practices and incorporating ecotourism;*
- *Encourage a complementary and compatible approach between ecotourism activities and conservation in natural resource management;*
- *Encourage industry self-regulation of ecotourism through the development and implementation of appropriate industry standards and accreditation;*
- *Where appropriate, support the design and use of carefully sited and constructed infrastructure to minimise visitor impacts on natural resources and to provide for environmental education consistent with bioregional planning objectives;*
- *Undertake further study of the impact of ecotourism to improve the information base for planning and decision-making;*
- *Encourage and promote ethical delivery of ecotourism products to meet visitor expectations and match levels of supply and demands;*

- *Facilitate the establishment of high quality industry standards and a national accreditation system for ecotourism;*
- *Improve the level and delivery of ecotourism education for all target groups;*
- *Enhance opportunities for self-determination, self-management and economic self-sufficiency in ecotourism for Aboriginals and Torres Strait Islanders;*
- *Examine the business needs of operators and develop ways in which viability can be improved either individually or through collective ventures; and*
- *Seek to ensure that opportunities for access to ecotourism experiences are equitable and that ecotourism activities benefit host communities and contribute to natural resource management and conservation".*

6.18 The range and significance of the above objectives illustrate that, from the Australian Government's viewpoint, there are many high-level strategic matters which need to be addressed if the benefits of ecotourism are to be maximised.

6.19 In a publication entitled *Ecotourism - A natural strength for Victoria - Australia*, prepared in 1992, the Department defined ecotourism as "... travelling to relatively undisturbed or uncontaminated areas with the specific object of studying, admiring, and enjoying the scenery, its wild plants and animals, as well as any existing cultural manifestations found in these areas". The nature of this definition clearly equates with the NPS's responsibilities in the management of parks.

6.20 In its publication, the Department observed that research in the USA forecast annual growth in ecotourism of between 25 to 30 per cent. This projection gives an indication of the overseas significance attached to the subject.

6.21 **It seems very likely that, at both national and State levels, the ecotourism industry in Australia will swiftly evolve in both size and significance.**

TOURISM INITIATIVES UNDERTAKEN TO DATE BY DEPARTMENT

6.22 The Department was a member of a co-ordinating committee formed to provide input into Tourism Victoria's current Strategic Business Plan released in October 1993. In addition to the Department, the committee's membership comprised representatives from Tourism Victoria, Melbourne Water Corporation, Melbourne Convention and Tourism Authority, Arts Victoria and other relevant organisations.

6.23 The Strategic Business Plan, in relation to parks, basically advocates the development of ecotourism opportunities which allow tourists to enjoy a range of park experiences in the context of an industry which is profitable and sustainable. It outlines the responsibilities of the NPS in this regard as ensuring that tourist opportunities involving parks are environmentally sensitive and sustainable, and that access is provided in a manner that offers visitors the experience they are seeking, in a way that is competitive with other destinations.

6.24 Under the Plan, the Department, through the NPS, is committed to working with Tourism Victoria to:

- foster a range of accommodation options on public land;
- produce a document on *Guidelines for Tourism Facilities on Public Land-Concept, Planning and Assessment*;
- identify opportunities for the replacement or refurbishment of visitor interpretation facilities at a number of locations; and
- redevelop former lighthouse complexes as accommodation and provide a number of visitor services including walking tours, horse riding and 4 wheel drive access.

6.25 The growing importance attached by the Department to ensuring full participation in the tourism industry was reflected in its October 1994 decision to merge its recreation and tourism units into a new Tourism and Visitor Services Section. The Department believes that this recent structural move will greatly enhance its capacity to respond to the emerging challenges associated with ecotourism and tourism development generally.

6.26 In developing a draft tourism strategy for the NPS, the new Tourism and Visitor Services Section has already identified a number of key tasks including:

- measurement of visitor satisfaction in key tourist areas;
- development of an understanding of experiences, settings and services sought by visitors and potential visitors;
- ensuring that visitor facilities are functional, efficient and well maintained;
- development of a corporate customer service culture;
- provision of a level of access to parks consistent with the experiences and settings sought by visitors and potential visitors;
- provision of high quality information that meets visitors' needs on attractions, facilities, services and opportunities; and
- liaison with other government agencies, industry and other relevant organisations and individuals.

6.27 The Department's initiatives, to date, represent positive steps in identifying opportunities to increase its contribution to the State's ecotourism industry. Audit has stressed the importance of the Department ensuring that progress towards achievement of its current action targets on tourism is effectively monitored.

NEED FOR DEVELOPMENT OF A TOURISM STRATEGY BY NPS

6.28 The preceding paragraphs convey some indication of the growing emphasis within the Department on tourism issues. The role of the NPS in this scenario is explained in the Department's 1993-1996 Corporate Plan in the following terms, as part of the NPS's mission, "... to provide the community with an extensive and stimulating range of opportunities for enjoyment, recreation, tourism, education and research".

6.29 The Corporate Plan also states that the NPS "... will have expanded the opportunities both within the system and on adjacent public land for tourism growth by infrastructure developments linked with the natural environment".

6.30 Although the Department has embarked on a number of tourism-related initiatives, it is yet to develop a specific tourism strategy. Audit considers there would be substantial merit in the NPS undertaking this task. The formulation of a specific strategy on tourism would enable the NPS to focus on its tourism aspirations and provide a plan of action for achieving its strategic goals on the subject outlined in the Department's Corporate Plan.

6.31 The absence of a specific strategic direction in tourism development has meant that the NPS does not have information readily available on tourism markets and their composition. Also, as a result, principles of measuring visitor impact and monitoring visitor numbers have not been enshrined as operational requirements in its guidance to staff. This situation has led to a lack of concrete information about visitor impacts and needs and to deficiencies in environmental information collated and maintained by the organisation.

6.32 During discussions, audit suggested that a tourism strategy for the NPS could encompass the following elements:

- a lead statement on the NPS's expectations from tourism development;
- principles underpinning the assessment, establishment and operation of tourism initiatives in or near parks (and, in particular, national parks);
- anticipated economic and social benefits of tourism activities within or near parks;
- identification of major stakeholders and customer groups and their expectations;
- identification of key tasks on tourism considered to be within the responsibility of the NPS and those areas where it sees itself more as a facilitator, advisor or a provider of expertise;
- identification of opportunities for tourism development along with processes for facilitating private sector and other external agency involvement;
- particulars of customer demographics and satisfaction;
- an environmental monitoring program which provides for assessment of visitor impacts on parks; and
- a performance management and reporting facility under which information is channelled to senior management on progress towards implementing the strategy and on emerging developments to guide the NPS in decisions on future tourism directions.

6.33 A definitive strategic framework on tourism, along the above lines, would place the NPS in a sounder position to address the following issues which have required increasing attention in recent years:

- establishment of a clear orientation towards customer service;
- uncertainty arising from the ongoing diversity of opinion in the public arena on whether priority in the management of parks should be directed towards conservation or tourism and/or recreation;
- overcoming its lack of tourism industry expertise; and
- enhancing its capacity to capitalise on the economic benefits generated by parks.

Some discussion on these points is presented in the following paragraphs.

Orientation towards customer service

6.34 As mentioned in an earlier paragraph, one of the Department's action targets for 1994-95 related to commencement of work on development of a customer service culture within the organisation.

6.35 During the review, audit found that most Rangers in parks were very conscious of the needs and wishes of park visitors and made genuine attempts to meet these needs. However, it was also evident that, despite a significant amount of funds directed to visitor-related infrastructure, customer service has not been a primary point of focus at a strategic level within the NPS. In this regard, customer satisfaction information has not been specifically referred to, in the past, as an essential element of the NPS's strategic planning and resource allocation processes.

6.36 **The advantage in this area to the NPS in developing a tourism strategy is that visitors to parks can progressively be viewed within the organisation as customers rather than visitors. This difference in definition is critical if one accepts the view that *visitors* are in a particular place by invitation or personal desire, whereas *customers* are seen as entitled to expect a particular level of service and have their expectations met.**

Strategic uncertainty arising from the ongoing conservation versus tourism and/or recreation debate

6.37 Most discussion on tourism development within the NPS has centred around 2 main bodies of opinion: one which views tourism development as positive and beneficial to the parks system, with the other pointing to its adverse impacts on the park environment and its consequence of allowing commercial operators to exploit parks for profit.

6.38 In the past, lack of support within the NPS for tourism-related developments has helped foster, at times, adverse perceptions of those external agencies and organisations which might be in favour of tourism development.

6.39 As with other sectors of the community involved in the management of natural resources, difficulties in resolving the tourism/recreation versus conservation debate within its own ranks has impeded the ability of the NPS to fully form and pursue relationships with key private and public sector tourism-related bodies as envisaged in its Corporate Plan. As a result, its links with these bodies have tended to be fragile and not totally productive.

6.40 The Minister, in an address to the 1994 NPS Conference titled "*Managing Parks for Life*" and the current Director of the NPS, in discussions with audit during the review, have expressed support for environmentally sustainable tourism development on public land, so it can be anticipated that there will be some resolution of this debate for the ongoing benefit of the NPS in its key decision-making on the State's park system.

6.41 It is important, when discussing this somewhat sensitive issue, to mention the dilemma faced by decision-makers in managing the 2 conflicting forces of tourism development and conservation. To arrive at an appropriate balance between the 2 forces constitutes a major challenge for any organisation, such as the NPS, with responsibility relating to the management of natural resources.

6.42 **In the final analysis, in the case of the NPS, it would seem very desirable that the policy setting on the subject of conservation versus tourism/recreation be clearly manifested in a tourism strategy, so that decisions made, both centrally and in the field, can focus on consistency with the stated policy direction.**

Overcoming a lack of tourism industry expertise

6.43 A lack of tourism industry expertise among most staff in the NPS has meant that it has been less than effective in identifying and developing appropriate opportunities for tourism expansion. In addition, it has not directly pursued access to the skills and resources of Tourism Victoria and, as a result, its approach to developing some tourism initiatives has been out of step with directions generally favoured by the tourism industry.

6.44 An absence, in the past, of a close working relationship with the tourism industry has led to the involvement of the NPS in tourism activities in areas where participation by the private sector would be more appropriate, e.g. management of historic homesteads or provision of accommodation for tourists at parks such as is the case at Tidal River within Wilsons Promontory National Park.

6.45 Audit considers that the NPS would have been able to more effectively target its limited tourism resources if its relationship with Tourism Victoria and other tourism industry organisations had been more productive and focused. It is also considered that a specific tourism strategy would have facilitated positive links with the industry and allowed the NPS to have greater access to market information and to analyse tourist trends and developments in a meaningful way.

6.46 It was encouraging to find that the NPS has recently formed a joint liaison committee with Tourism Victoria to promote a more positive and streamlined working relationship between the 2 agencies.

6.47 **The Director of the NPS has advised audit that he intends to take a strong interest in the development of tourism initiatives and is supporting the finalisation of a proposal to establish a staff position responsible for the identification of opportunities for tourism development within Victorian parks and for marketing to the private sector. The Director intends to also forge stronger links with senior management at Tourism Victoria.**

Capitalising on the economic benefits generated by parks

6.48 In 1994, the NPS commissioned an external consultancy study of the economic benefits generated by the Grampians National Park. This study concluded that *"... the net addition to economic activity in Victoria through recreational use of the Grampians National Park by interstate and overseas visitors is of the order of \$100 million per annum and that the employment impacts associated with this are of the order of 1 270 jobs ..."*.

6.49 This study was the first of its kind to be commissioned by the NPS. Its major purposes were to provide the NPS with base information outlining the likely economic benefits of a national park and to produce a model for use in calculating the economic benefits of other major parks in Victoria.

6.50 The nature of the information identified in respect of the Grampians National Park suggests there would be substantial value in undertaking similar assignments in other major parks. Also, the NPS will need to consider how to best utilise the resultant information on assessed economic benefits so that it can be effectively integrated into strategic planning and resource allocation processes.

**Picture Not
Available**

Cathedral Rock and the Serra Range, Grampians National Park.

6.51 It seems quite clear that, if the NPS can gather highly-valuable information on the economic benefits generated by parks, it would be able to identify where the major economic gains and opportunities lie, and thus, more effectively target its resources towards the more significant tourism development activities.

6.52 The application of this approach, within the framework of a tourism strategy, would allow the NPS to direct some emphasis to areas with the potential to generate high economic benefits and, thus, enhance its visibility as a contributor to stronger economic growth within the State. It could then be in a sounder position to argue for greater funding to maintain parks.

6.53 **Given the valuable information gathered to demonstrate the economic benefits of the Grampians National Park, consideration should be given to broadening such studies to other parks, e.g. those parks which attract high visitor numbers.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

It is the intention of the NPS to conduct similar economic studies in the year 1995-96-97.

RELEVANCE OF MARKETING TO THE NPS

6.54 Marketing can be an extremely useful means of promoting the NPS and of packaging its park products, activities and services to meet the needs of potential and existing customers and stakeholders.

6.55 In line with the community's desire for more sophistication in information requirements, it has become incumbent upon public sector organisations to focus not only on the quality of published information but also on the methods employed for dissemination of material.

6.56 Interpretation and community education activities have been the traditional means by which the NPS has managed its relationships with external parties. In this context, much of the NPS's past marketing activities have been limited to publication of park information leaflets and school kits, although it is currently in the process of producing a video about parks which it expects to be a most effective promotional tool.

6.57 Because the NPS's responsibilities are directly involved in the provision of community services and necessitate continual public interaction, it has a specific need for staff skilled in the management of the media. Appropriately skilled staff in marketing also facilitate ongoing public understanding and external promotion of significant park activities such as unique conservation features, fire protection and the control of pest plants and animals. However, it is fair to say that the organisation's past approach to the active marketing of parks has been somewhat cautious and this factor, together with constraints on the availability of promotional resources, has contributed to a generally passive stance on marketing.

6.58 The Director of the NPS has signalled to audit an impending change in the organisation's strategic direction on marketing and promotion of parks. In this regard, he advised that the NPS is currently in the early stages of developing a marketing strategy which will incorporate provision for establishment of co-operative marketing efforts with Tourism Victoria and the Australian Tourism Commission at local and international levels, as well as for a comprehensive promotional campaign on parks.

6.59 In discussions with the Director on this important initiative, audit suggested that the proposed marketing strategy be used to co-ordinate the production of all publications, specify standards for the type and quality of publications to be produced in the future and provide for the exploration of opportunities for joint publication with other agencies and private sector groups.

6.60 The NPS should also give consideration to the cost-effectiveness of engaging specialist marketing consultants to, at times, supplement its direct marketing efforts and facilitate the NPS's access to the latest marketing techniques and professional networks.

6.61 **A structured approach to marketing and promotional activities within the NPS is necessary to ensure adequate public awareness and understanding of the State's parks and conservation reserves.**

VISITOR SERVICES AND CUSTOMER SATISFACTION

6.62 The NPS's 10 year vision in the Department's 1993-1996 *Corporate Plan*, under the heading of Enjoying and Promoting Parks, reads as follows:

- *"The number of visitors to the system will increase by 50% (to 15 million).*
- *The range of visitor opportunities will be expanded by provision of improved access and high quality facilities, so the public can use and appreciate the local environment.*
- *The NPS will have an understanding of the visitors and non-visitors to parks and reserves, the needs of those groups and their attitudes towards park management".*

6.63 The above visionary comments indicate that there will be a strong focus by the NPS on the important issues of visitor needs and numbers in the future. This emphasis on user requirements is, of course, fundamental to the work of service agencies such as the NPS and, in its case, highly relevant in forming views on the level of its effectiveness in satisfying community expectations on parks.

6.64 It is very clear that, if the NPS is to achieve sound progress towards achievement of its visionary goals dealing with visitors, it will need to have in place mechanisms for the gathering of accurate and meaningful information on visitor satisfaction and numbers and for the systematic use of such information in its key decisions on resource management in parks.

Monitoring of visitor satisfaction and numbers

6.65 Through field operations, the NPS provides a range of visitor services and facilities, however, it is fair to say that these functions have not been systematically linked to known visitor demand and needs. Most visitor services and facilities have been delivered according to staff perceptions of visitors' requirements rather than from a structured information base. In addition, audit was advised by staff that pressure can often be exerted by organised park user groups who have very fixed views about what should be provided to visitors to parks.

6.66 In the past, the NPS has carried out a limited number of visitor surveys but the value of any resultant information has been limited to the specific parks involved in the surveys rather than to the NPS on a more strategic or global level.

6.67 The most noticeable aspect of the NPS's past approach in this area was that it has not operated to a program of targeted surveys and, as a result, has not had available a profile of visitor demographic particulars or system-wide information on customer satisfaction with parks and related facilities. Without such information about levels of customer satisfaction, it has not been in a position to evaluate its own performance as a service delivery agency or to assess the soundness of its processes for the determination of future priorities.

6.68 The Department's Tourism and Visitor Services Section has established a visitor satisfaction program for 1994-95 in which Rangers will undertake the lead functions of selection of parks and implementation of surveys. While it was intended to provide Rangers with some training to assist them to carry out these tasks, audit expressed some doubt to the NPS, at the time of this segment of the audit review, as to whether sufficient guidance could be given to Rangers over a short period of time to produce credible statistical data on user preferences and satisfaction levels.

6.69 The progressive gathering of user feedback for evaluating satisfaction with services and facilities in parks is likely to be a complex process which will require careful planning and implementation.

6.70 It will be important, therefore, that the NPS ensures that meaningful conclusions, useful for strategic decision-making, can be drawn from the results of periodic surveys undertaken to canvass the views of visitors to parks.

6.71 With regard to strategies dealing with visitor numbers, the traditional approach within the NPS has been to concentrate efforts on actual visitors to parks rather than to focus on non-visitors and attempt, through marketing and promotion, to expand the visitor base. That perspective has changed with the Minister's speech at the 1994 NPS management conference and the message that the NPS will, in future, address the issue of non-visitors. **In order to do this effectively, the NPS will need to completely revise its attitude towards visitor surveys and its approach to the collection of visitor information.**

6.72 Audit was advised by the Director of the NPS that a new strategic direction, which will harness efforts towards non-visitors to parks, and the underlying reasons for their absence, is to be pursued in the future.

6.73 The past gathering of visitor statistics by the NPS has involved a variety of methods including:

- the counting of attendances at visitor information centres or camping sites;
- random counts, at particular times, of visitors to large parks and extrapolations to produce annual estimates of attendance; and
- use of car counting devices at entrances to parks.

6.74 In audit opinion, these methods lacked sophistication and were not conducive to compilation of reliable consolidated data on visitors across the whole parks system. **With its contemporary strategic emphasis on park visitors, it was clear to audit that the NPS needs to implement a more rigorous and structured process for gathering and analysing visitors numbers and associated trends.**

6.75 In summary, the NPS needs to develop more reliable mechanisms for evaluating visitor satisfaction and numbers, and for the integration of relevant data into its decisions on strategic planning and resource allocation. Meaningful progress towards achievement of its long-term vision on visitors' appreciation and use of parks will be directly dependent upon the soundness of action taken in this area.

Standard of visitor centres

6.76 Visitor centres at parks provide a variety of facilities and services ranging from tourism information and site interpretation to visitor orientation and management. Visitor centres have traditionally been viewed as a major avenue available to the NPS for provision of interpretive and community education services to the public on parks.

6.77 The Department manages more than 30 visitor centres in parks and on public land in Victoria. A survey was carried out by its Project Services Unit in May 1992 to collect basic information about all visitor centres. The major objectives of the survey were to clarify the roles and functions of existing centres and to assess the need for their maintenance or redevelopment.

6.78 Subsequent to the completion of this survey, a discussion paper was produced in 1992 by the Department's Interpretations and Community Education Unit which found that:

- *"because the centres have been developed in an unco-ordinated fashion, it is difficult to assess priorities for funding of the centres and also, it is difficult to measure how relevant and effective existing centres are and whether others are needed elsewhere;*
- *several centres are regularly open without staff, with little evidence of opening hours being adapted to local needs; and*
- *the majority of visitor centres appear to have inadequate maintenance budgets, with more than half the centres surveyed with annual budgets of \$500 or less".*

6.79 During the course of field visits, audit attended a number of visitor centres and found that the standard of maintenance and displays varied considerably. Rangers consistently referred to a lack of funds to appropriately manage centres and to adequately repair broken equipment. With these resource constraints, it seems that Rangers have been unable to allocate sufficient funds for maintenance of the centres because of the need to direct scarce resources to other aspects of visitor management such as provision of picnic facilities, walking tracks and signage.

6.80 The NPS has initiated an assessment of visitor centres, and has requested that each of its operational areas nominate 3 centres which it believes require special attention. Such action is clearly positive and represents a valuable interim means for the NPS to determine the level of seriously-deteriorated facilities at visitor centres. **It will be important for the NPS to systematically analyse the results of this exercise in order to formulate a Statewide strategy on the matter.**

6.81 Through a visitor survey process conducted by Melbourne Parks and Waterways, it was found that visitors did not always consider the provision of visitor centres for its parks an absolute necessity and, as a result, Melbourne Parks and Waterways advised audit that it has embarked on a program of identifying alternative uses for the centres.

6.82 Although audit is not necessarily advocating a similar outcome for the NPS, there would be merit in the NPS broadening its current approach to reviewing visitor centres by undertaking a comprehensive review of all centres incorporating the identification of visitor opinion of the centres. Such a process could encompass issues as:

- establishing the need for the centres;
- differentiating between the various kinds of centres required and ensuring adequate information and planning to provide appropriate centres where required;
- identifying service expectations for centres;
- assessing the adequacy of the location of the centres;
- assessing the quality of displays in centres;
- establishing minimum levels of funding to ensure that centres are capable of providing a high level of service once established;
- providing a plan for re-development and development of new centres to ensure the most effective use of resources in this area; and
- consideration of alternative options for the provision of services traditionally provided through visitor centres and, in particular, addressing the issue of whether all centres need to be managed and staffed by the NPS.

Interpretation and Community Education Strategy

6.83 The Department's 1993-1996 Corporate Plan states that "*... the quality of visitor experience [will be] enhanced through comprehensive education and interpretation programs and facilities*".

6.84 In line with this corporate goal, the NPS introduced, in 1994, its *Interpretation and Community Education Strategy* which describes interpretation and community education as "*... vital management activities for parks and reserves. They [Interpretation and Community Education activities] help control visitor access to sites and elucidate the values and significance of parks and reserves to both visitors and the wider community. They [Interpretation and Community Education activities] contribute to the conservation and protection of sites by encouraging appropriate use and building public support and appreciation. They contribute to conservation in the broader sense by developing community awareness and understanding of the natural world and the evolution of human societies, as well as encouraging a conservation ethos*".

6.85 Some examples of interpretation activities undertaken by the NPS include nature walks, production of park information pamphlets and talks to school groups. Most of the face-to-face interpretation work is carried out by Rangers and seasonal interpretation staff.

**Picture Not
Available**

*Talks to school groups
are an important aspect of the educational services provided by NPS staff.*

6.86 The NPS has an Interpretation and Community Education Unit (the ICE Unit) which is primarily responsible for the delivery of interpretive and educational services to park visitors. In order for the NPS to meet the commitment made by the Department in its Corporate Plan to provide comprehensive interpretation and education programs, Interpretation Officers were appointed to each departmental area in the State, during May 1994.

6.87 The ICE Unit's key responsibilities are:

- development and dissemination of Statewide standards and guidelines;
- provision of technical expertise as required;
- production and dissemination of Statewide programs and materials in consultation with area Interpretation Officers;
- provision of advice and support to area Interpretation Officers;
- provision of specialised training and support; and
- provision of support in strategic planning and co-ordination processes.

6.88 In 1993, the NPS commissioned a review of Night Walks, Rockpool Walks and other selected events of the summer Visitor Interpretation Programs conducted at 28 sites in Victoria during 1992-93. According to the results of this review, these activities were an extremely effective form of communicating with park visitors.

6.89 Following the implementation of the *Interpretation and Community Education Strategy*, each area of the NPS is in the process of developing area interpretation plans, which will essentially translate the Strategy into area-based action.

6.90 While the Strategy reinforces the importance of customer service, it places only limited emphasis on the identification of visitor needs and expectations, with most of the responsibility for this directed to Chief Rangers and Rangers-in-Charge. In this regard, it will be important that the NPS ensures that adequate resourcing is available to Rangers so that the level of interpretive services envisaged by the Strategy is effectively administered across the parks system.

6.91 In implementing its Interpretation and Community Education Strategy, audit has suggested that the NPS give consideration to the following issues;

- level of demand for interpretation activities;
- the nature of interpretation services required by visitors;
- preferred times of availability of services;
- feasibility of introduction of fees for interpretation programs; and
- the desirability of using contractors to provide some interpretation programs.

Part 7

Other management issues within the NPS

OVERVIEW

7.1 This Part of the Report summarises several management issues associated with the operations of the NPS.

7.2 As part of its extensive change process, many aspects of organisational activity within the NPS are currently under review.

7.3 The establishment of reliable information systems, rational delegation arrangements and a more streamlined Head Office structure are among the organisational issues under examination by the NPS.

7.4 *Friends of Parks* volunteer groups have been a valuable resource available to the NPS to complement its formal responsibility for the management of parks. The NPS needs to pursue avenues to continue to maximise the value-added contributions made to parks by volunteers and, at the same time, avoid any potential over-reliance on voluntary assistance.

SCOPE FOR ENHANCING THE ORGANISATIONAL STRUCTURE OF THE NPS

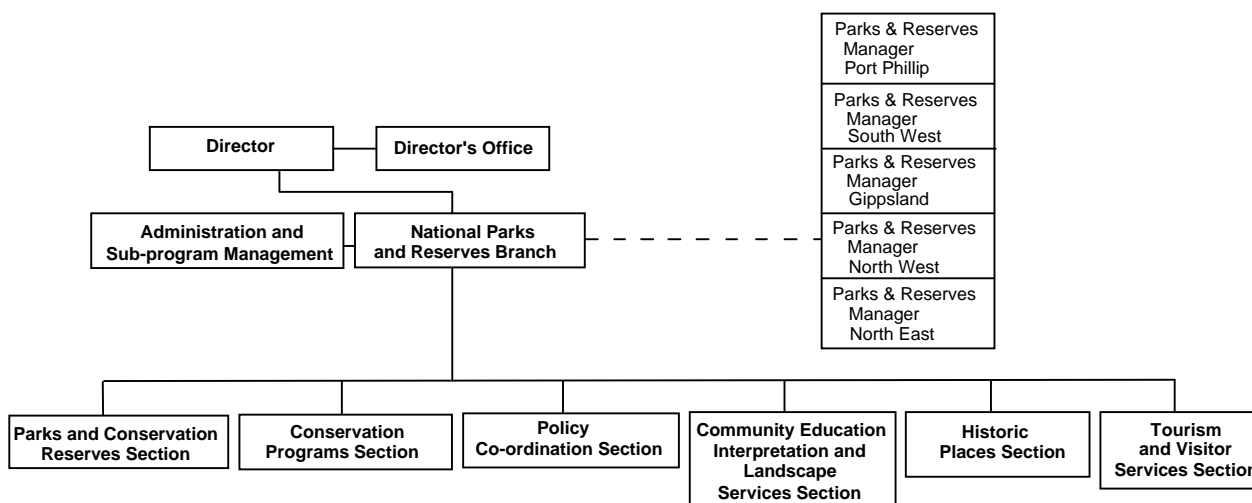
7.5 The National Parks and Reserves Branch (NPRB) is the Head Office arm of the NPS and is responsible for providing the Director of the NPS and the Minister with advice, and for undertaking the development of Statewide strategies, initiatives and guidelines, with respect to:

- management of responsibilities under the *National Parks Act 1975*;
- public recreation, education, interpretation and enjoyment;
- tourism opportunities on public land;
- management of historic and cultural sites (on all public land);
- landscape services;
- technical services; and
- conservation and protection activities.

7.6 The structure of the NPRB, which is aligned to the Department's area-based structure, has essentially remained unchanged over the years, despite the considerable organisational changes which have occurred in the Department.

7.7 Chart 7A below shows the current organisation framework of NPS Head Office.

**CHART 7A
NPS HEAD OFFICE STRUCTURE**



7.8 The NPRB is expected to provide a Statewide strategic overview of the NPS to the Director as well as furnish specialist advice and support to the field. **Despite an increasing allocation of management responsibility to field staff over the years, the NPRB remains the central source of specialist knowledge and information on the organisation's operations.**

7.9 The NPRB is assisted in its role of providing support and guidance to the field through a Strategy Group comprising the 5 Parks and Reserves Managers and, the Manager of the NPRB, with the Director's Executive Officer providing executive support. The Group meets monthly with the aim of channelling advice to the Director with respect to various park management issues. In 1994, the Group formed 18 working parties comprising various staff members to examine a range of issues including environmental management, tourism and standards for park facilities. Following the completion of certain tasks and some rationalisation, the number of working parties has recently been reduced to 6 in order to more closely focus the work of the Strategy Group.

7.10 In 1993, the Minister for Planning, at the request of the Minister for Conservation and Environment, requested that the Land Conservation Council provide advice on structuring options for the NPS and the Department's Forests Service. In its *Parks and Forests Services Survey*, the Council cited several principles for the NPS's structure, including:

"Each manager should have a discrete area of responsibility, accompanied by a specific budget, staff and agreed set of outputs to be delivered within the budget context, and against which performance can be measured.

Responsibility for overall park and forest management, strategic planning policy and the technical standards to be applied should reside in Head Office.

Elimination of unnecessary management levels."

7.11 Audit considers these principles to be a sound basis upon which to further develop the energies of the Head Office function of the NPS and better direct its activities in the coming years to the likely significant developments in the areas of tourism, marketing and management of new parks and conservation reserves. These principles, in conjunction with other factors identified by audit in its discussions with NPS staff, provide the basis for a more effective Head Office structure for the NPS. The elements of this structural framework include:

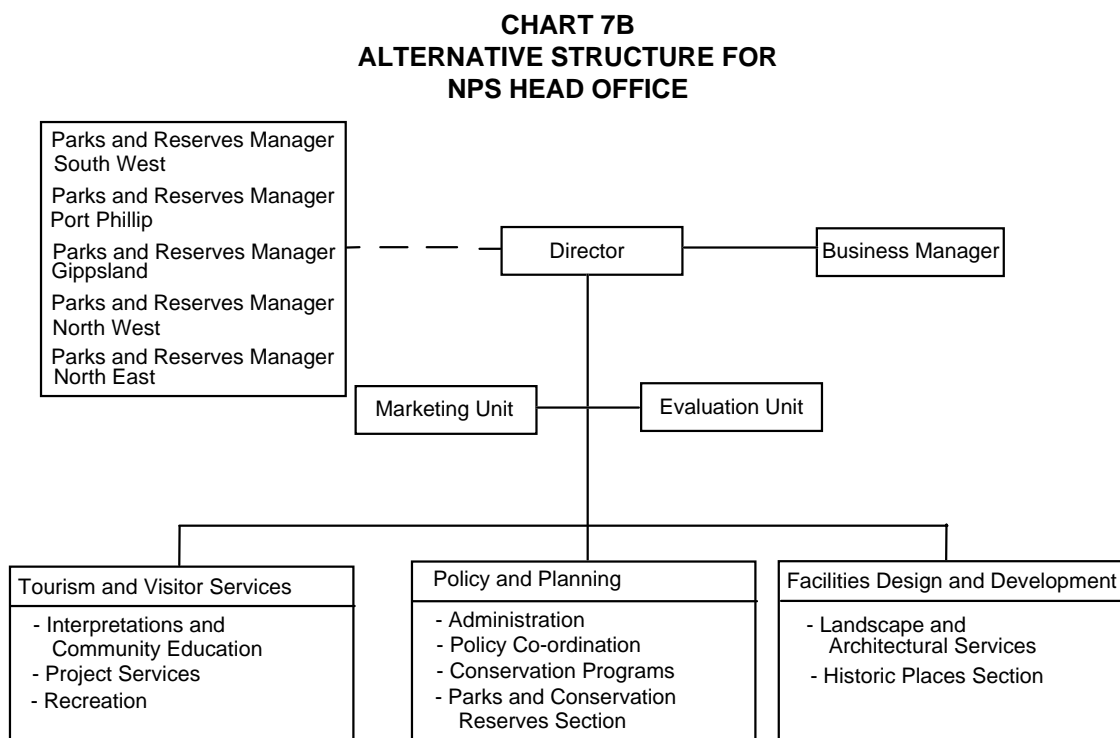
- provision of specialist advice and support, particularly in relation to conservation and environmental management and other technical issues;
- management of relationships with key natural resource management organisations at both State and national levels;
- the co-ordination and provision of specialist training to all staff;
- provision of specialist support in areas such as recruitment and human resource management;
- management of the strategic and business planning processes;
- provision of consolidated Statewide information, e.g. in relation to expenditure and revenue programs and budgets;
- management of Statewide programs;
- development of initiatives that can then be devolved to the areas for ongoing management;
- co-ordination of relationships with key stakeholders;
- central management of tourism and visitor services, with a strong marketing focus; and
- evaluation of the NPS's activities as well as best practice guidance.

7.12 In its assessment of the current Head Office function of the NPS, audit concluded that:

- There was a limited focus on strategic planning with most attention absorbed in day-to-day issues and other matters referred to the NPRB by the Director;
- Specialist support provided in ecological management and monitoring was limited;
- Because the Manager of the NPRB was the destination of all reporting lines within the NPS, before the Director, the workload and demands of this position were extremely onerous;
- The role and purpose of some Head Office sections were not well understood by many field staff;
- Relationships with key stakeholders, clients, visitors and other government agencies tended to be managed on an ad hoc basis; and
- The Strategy Group was heavily absorbed in its involvement with the various working parties. Although the matters under examination were of major relevance to the future of the NPS, the consequence was that the Managers had restricted time to devote to their primary responsibilities in their areas.

7.13 **Audit concluded that the NPS would benefit from some re-engineering of the operations of its Head Office.**

7.14 During the review, discussions on options for a Head Office structure took place with senior NPS personnel including the Director. As a result of those discussions, audit developed an alternative structure for consideration as part of the Director's efforts to streamline the operations of the NPS and increase its effectiveness. Chart 7B sets out the changes suggested by audit.



7.15 The suggested structure envisages establishment of 3 principal support sections within the NPS's Head Office dealing with Tourism and Visitor Services, Policy and Planning, and Facilities Design and Development together with 2 new specialist units dealing with marketing and performance evaluation, all accountable to and reporting directly to the Director. It is considered that this approach would facilitate Statewide strategic planning linked to priority actions. A more streamlined framework for key decision-making, performance evaluation and reporting could also be expected.

7.16 The Director, along with the Area Manager (North-East) who is the Deputy Director of the NPS and the Manager of the Policy and Planning Unit, could operate as the NPS executive providing focused leadership characterised by strong communication to staff on the policies and direction of the NPS.

7.17 The NPS needs to take swift action to ensure that a stronger imperative is attached to the evaluation and monitoring of its activities along with the development of minimum standards and performance benchmarks. Audit considers that there is a lack of expertise in this area, which is one of the reasons why so little has been achieved.

7.18 It would also benefit the NPS if it were to establish its own body of expertise in evaluation work. One option for consideration could be the establishment of a small unit of 2 staff, with the appropriate skills, reporting directly to the Director to co-ordinate, plan and carry out internal reviews of the NPS's programs and activities.

7.19 The role of this Unit could include:

- following-up progress on service agreements;
- monitoring the NPS's progress against legislation, national requirements, documents such as the departmental *Corporate Plan*, *Business Plan* and other major strategic documentation;
- developing evaluation plans for specific programs or priorities identified by the Director;
- implementing or co-ordinating specific evaluations;
- ensuring that information gained through evaluation processes is taken into account during the strategic planning and resource allocation phase;
- assisting field staff to develop evaluation methodologies and approaches to assist in their day-to-day activities and engender ongoing evaluation of activities; and
- ensuring that appropriate performance evaluation material is produced to assist key decision-making processes.

7.20 In summary, the adoption of a structure for the NPS along the lines suggested by audit could provide an enhanced basis for management decision-making and reporting within the NPS.

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The improvements in the management focus for the NPS Head Office have been announced and will be in place by 1 July 1995. Changes included creation of a Business Management Branch - with emphasis on business planning, performance evaluation, marketing and capital infrastructure; amalgamation of a number of previously separate units to provide a sharper focus, e.g. Tourism and Visitor Services Unit; and changes to the role and function of the NPS Strategy Group. These changes reflect many of the suggestions of the Auditor-General.

CONDITIONS OF EMPLOYMENT FOR RANGERS AND OTHER FIELD STAFF

7.21 During the course of the review and, in particular, the visits to various park locations around the State, audit examined several matters relating to the conditions of employment in place for Rangers and other field staff of the NPS.

7.22 As mentioned in earlier paragraphs of this Report, Rangers and other field staff of the NPS consistently demonstrated to audit a high level of professionalism and strong commitment and dedication to their work.

7.23 Given that the responsibilities of the NPS are becoming increasingly complex and sophisticated, the organisation will need to ensure that it can always attract and retain staff of the highest calibre. This situation will require continual assessment of the adequacy of conditions of employment for Rangers and other staff of the NPS.

7.24 The NPS would benefit from re-assessment of its current position in 2 areas, namely:

- the condition of housing made available to Rangers; and
- the desirability of undertaking a current work value study for Rangers (including Rangers-in-Charge), Chief Rangers and Parks and Reserves Managers.

Condition of housing

7.25 At the time of preparing this Report, the Department advised audit that it leased 86 houses from the Government Employee Housing Authority (GEHA). Staff pay between 50 and 75 per cent of the market rentals charged by GEHA and the Department meets the balance as well as any resulting Fringe Benefits Tax. Subsidised housing has traditionally been used as an incentive to Rangers to work in remote locations or move more frequently between locations.

7.26 During the period of the review, responsibility for maintaining government employee housing rested with the GEHA. The Department has very recently advised audit that State Cabinet has approved, in principle, the transfer to departments of houses they have designated as "required to occupy". As a result, it seems that departments will again become responsible for the provision and maintenance of housing to their employees.

7.27 It was clear to audit that many Rangers viewed housing as a significant issue. Their major areas of concern were:

- the actual condition of housing provided and delays of up to 3 months in responses to requests for repairs; and
- rental increases and a diminishing level of subsidised rental accommodation.

7.28 Through observation on its field visits, audit can confirm that some of the housing provided to park staff was of a poor standard and required basic maintenance works.

7.29 Poor housing conditions can make Rangers less inclined to move to remote locations or locations where they would be dependent on housing provided by the Department. Such circumstances can create impediments to the Department's policy of encouraging frequent staff mobility, particularly with Rangers.

7.30 **The NPS needs to develop a set of maintenance and condition standards for departmental housing to ensure that staff are provided with appropriate housing conditions.**

REMUNERATION OF CERTAIN NPS STAFF

7.31 During discussions by audit with NPS personnel, the strong commitment of staff to their roles as custodians of Victoria's parks was very conspicuous. This commitment was evident, not just among Rangers but at all levels of the organisation, both in the field and in Head Office.

7.32 Given the range and significance of assigned responsibilities, it would seem appropriate that the remuneration of 3 staff categories, namely, Rangers (including Ranger-in-Charge), Chief Rangers and Parks and Reserves Managers be considered for review.

7.33 Audit was advised by the Director of the NPS that the most recent work value study for the Ranger classification was conducted approximately 5 years ago. As part of the re-establishment of the NPS, work value studies were undertaken for the positions of Chief Ranger and Parks and Reserves Manager in late 1993.

7.34 Rangers (including Rangers-in-Charge) have traditionally been paid at the lower end of the professional scale. In a sense, this position is historical, deriving from the days when Rangers were recruited primarily from work crews and trade areas, and the Ranger's work comprised mainly manual labour.

7.35 Rangers' work responsibilities have expanded in sophistication and complexity over the years and now encompass:

- *"co-ordination and supervising the management of parks,*
- *supervision of the implementation of a wide range of policies, plans, programs and prescriptions;*
- *development and delivery of interpretation and education services to visitors and community groups to encourage greater appreciation of the natural values, conservation needs and recreational potential of the area;*
- *effective management and motivation of staff within Occupational Health & Safety and EEO legislation;*
- *undertaking activities which ensure compliance with Departmental policies, Acts and Regulations by providing advice, enforcement and liaison with other Government departments, interest groups and the general public;*
- *providing recommendations, advice and information to assist the Chief Ranger with budget estimates, project costing and monitor progress and record program expenditure with regard to relevant operational activities; and*
- *liaising with and providing authoritative advice and information to the general public, including user groups, clients and other Government departments."*

7.36 In addition, Rangers are required to undertake other duties including the conduct of search and rescue operations, administration of first aid and participation in fire fighting operations.

**Picture Not
Available**

Ranger undertaking fire suppression works at Dandenong Ranges National Park.

7.37 Audit believes that the duties of the Ranger as detailed above reflect the higher expectations of the position, particularly since the re-establishment of the NPS.

7.38 Chief Rangers are a critical link between NPS management and the field. While managing considerable resources, they are also responsible for many administrative tasks such as ministerial briefing notes and correspondence and membership of numerous internal and external committees.

7.39 From discussions with the NPS staff during the review, it appeared to audit that, when work value studies for the position of Chief Ranger were undertaken in 1993, workloads and levels of responsibility had been underestimated.

7.40 It is interesting that, as Chief Ranger positions have been advertised, there has been little interest in them by NPS staff at Ranger-in-Charge level who had been thought to be the most logical contenders for these positions. It is acknowledged within the NPS that this situation may have occurred because the Chief Rangers' positions are seen as too demanding compared with the level of remuneration.

7.41 During the review, audit observed that Chief Rangers with the same classifications had significant variations in the level of responsibility including numbers of staff, park areas and levels of visitation.

7.42 The Parks and Reserves Managers' positions were established following the latest restructure of the Department under which functional managers were appointed to be responsible for each of the Department's 5 businesses at area level.

7.43 The level of responsibility exercised by Parks and Reserves Managers is very high and, as with the Chief Ranger positions, there are a multitude of duties which when examined in their totality, combine to create a substantial workload. Parks and Reserves Managers generally have to contend with managing large numbers of staff spread out over long physical distances, in addition to operating at senior management level within the area frameworks. Those Parks and Reserves Managers operating in areas of high public visitation have even more demands placed on them because of the associated inherent pressures.

7.44 **The Department's implementation of its new Performance and Remuneration Management system presents it with a good opportunity to re-assess the positions of Rangers (including Rangers-in-Charge), Chief Rangers and Parks and Reserves Managers and, where appropriate, recognise additional competencies associated with these positions.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Secretary to the Department of Conservation and Natural Resources comments that he understands the general thrust of the Auditor-General's comments about staff issues. These comments, together with other input, will be used to revise the Department's employment systems, (notably the Performance and Remuneration Management System) so as to address the needs of all CNR staff.

Uniforms and corporate image

7.45 There have been a number of different uniforms issued to departmental and NPS staff over the years. During its field visits, audit identified a lack of consistency in how uniforms were worn. As staff have to buy their own uniforms and the uniforms changed through the frequent restructures of the Department, most staff have continued to wear old uniforms, some of which were in better condition than others.

7.46 Many staff commented to audit that they felt unhappy about not having a proper uniform because they felt it reflected badly on their public image. They also felt that it meant that they were not easily identified as Rangers and that this caused confusion among the public.

7.47 Female staff were particularly unhappy as they are required to wear clothes designed for and cut to fit males, if they choose to wear a uniform. This situation clearly affects their image as well as their perception of themselves as members of a corporate group.

7.48 Many organisations wishing to develop a strong corporate image and esprit de corps, provide quality uniforms to staff. The NPS would derive some benefit from providing staff with well-designed uniforms that reflect a modern professional workforce.

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

Work has already commenced on examining changes to the Ranger uniform and that it will be a priority for 1995-96, subject to finalisation of an agreed design and colours etc.

ADEQUACY OF INFORMATION FOR KEY DECISION-MAKING

7.49 The effective management of any business unit requires timely, accurate and complete information to support key decision-making. The information requirements of the NPS extend beyond data relating to the management of its financial resources to encompass complex environmental information such as flora and fauna species in parks and conservation reserves.

7.50 The NPS currently derives information for decision-making purposes from a range of sources including both departmental and NPS-specific information systems.

7.51 The audit review identified many shortcomings in the quality and timeliness of information utilised by the NPS to support its business operations. In this regard, the NPS has historically suffered from a critical lack of Statewide consolidated information on environmental assets and its other resources. Such a situation was considered by audit to be quite inappropriate for an organisation with such high-level responsibilities and with an expenditure budget for 1994-95 of around \$57 million. **The information shortcomings were of such significance that the NPS could not be satisfied as to its overall level of effectiveness in meeting the responsibilities assigned to it under the National Parks Act 1975.**

Environmental information

7.52 With regard to environmental information, the schedules to the National Parks Act document and define the various parks of the State which the NPS is required to manage. The detailed particulars of these parks are recorded in a variety of information mediums including:

- the Department's Land Information Management System and Geographical Information System; and
- documentation relating to recommendations furnished over the years by the Land Conservation Council.

7.53 Audit found that the nature and type of information recorded in these sources varied considerably. It was particularly evident to audit that very little current consolidated information on the natural features such as flora and fauna species in the various parks and conservation reserves was readily available in the NPS's information sources.

7.54 **In short, a comprehensive record of the parks and conservation reserves of the State was not available to the NPS to assist it in the management of these assets.**

7.55 It appeared to audit that the impact on information requirements of the Department's recent restructure and the expanding nature of the NPS's responsibilities were relevant contributing factors to these unsatisfactory circumstances.

7.56 **The NPS does not presently have available consolidated data relating to environmental information and as a result is not in a position to accurately determine whether it is satisfying the objectives of the *National Parks Act 1975* with respect to the preservation and protection of scheduled parks. This situation could be overcome if the NPS developed and implemented an environmental management information system specifically designed to meet its needs.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Department comments that he agrees with the Auditor-General's observation and recommendation and has previously commented; see paragraph 5.65.

Resource management information systems

7.57 The audit review also found that other key facets of resource management within the NPS were adversely affected by weaknesses in information systems. For example, complete and timely information on staffing, expenditure streams and physical infrastructure such as park facilities was not readily available to Rangers or for effective central monitoring at Head Office. In particular, the Department's Activity Information Management System (AIMS) does not provide the NPS with the comprehensive financial information required to adequately manage the NPS budget.

7.58 The NPS has commenced corrective action to overcome its current inability to identify all facilities within parks and reserves. It is conducting, by means of a special working group, an inventory of facilities across the parks and reserves system.

7.59 **There is little doubt that a strong focus now needs to be directed towards ensuring that all information needs of the NPS, as a major business arm of the Department, are effectively addressed, with urgent attention directed to the AIMS system.**

Need for more rational delegation arrangements

7.60 The *National Parks Act 1975* specifically authorises the Minister or the Director of the NPS to make decisions with respect to implementing the provisions of the Act. There is currently no provision within the Act for such authority to be delegated to other staff of the NPS.

7.61 In late 1994, the Minister was able to delegate a number of powers utilising the provisions of section 11 of the Conservation, Forests and Lands Act, which authorises such action for ministerial functions and duties. Legal advice received by the NPS indicated that the Director of National Parks could not pursue similar action because this particular Act did not directly refer to that designated position.

7.62 Victoria's parks and conservation reserves cover a vast area and are spread across the State. Rangers have been assigned wide responsibility for the management of parks but, because of the legal position, have not been allocated commensurate delegated authority. In such circumstances, Rangers have been required to seek approval from the Minister or the Director through middle management, for many fundamental management tasks such as the granting of permits and licences.

7.63 During the review, audit was informed that a significant amount of Rangers' time was absorbed in the preparation of submissions seeking approval of the Minister or the Director of the NPS for management actions within parks. In addition, the process contributed to sometimes lengthy delays as information and documents had to be dispatched from, and returned to, locations across the State. Also, further time was required to examine the material at Head Office for quality control purposes.

7.64 It was clear that more flexible delegation arrangements were needed to streamline the management decision-making and approval processes within the NPS.

7.65 **It was pleasing to find that the Director has initiated corrective action by seeking the necessary legislative amendments to allow wider delegation of authority to Rangers and other field staff of the NPS.**

7.66 Audit has suggested to the NPS that appropriate training be given to Rangers on the use of delegated management authority. In this regard, it is important that all staff adequately comprehend the relationship between delegated authority and enhanced accountability.

USE OF EXTERNAL CONTRACTORS

7.67 For many years, a fundamental role for Rangers in parks has been their direct involvement in attending to repairs and other physical tasks. In conjunction with internal crews at their disposal, Rangers have participated in activities such as repairs to fences, construction of walking tracks and the spraying of weeds.

**Picture Not
Available**

Path construction in Croajingolong National Park.

7.68 In more recent years, Rangers have been required to assume a more strategic focus with more emphasis and time directed to managerial functions and close liaison with the community. The bulk of physical work undertaken in parks is now handled by internal work teams or external contractors.

7.69 In line with the Government's resource management strategies, the NPS has encouraged staff to seek out opportunities for engaging external contractors to perform duties undertaken by both Rangers and internal work crews. Audit confirmed that many tasks have been contracted-out across the State, although to a much lesser extent in the more remote areas where there are a limited number of potential contractors.

7.70 The primary objective of utilising external contractors is to introduce competitive principles into decisions on resource allocation so that the most cost-effective option for the provision of goods or services can be pursued, but within acceptable quality and timing parameters. It also facilitates the engagement of specialist skills which may not be available within the organisation.

7.71 The audit review identified that the NPS needed to complement its initiatives to date on the use of external contractors with clear policy guidance to staff on factors critical to effective management of contractors, supplemented by appropriate training. The consequence of a lack of guidance on the subject has been that many staff had formed the impression that services needed to be contracted out in most circumstances. This situation has caused particular difficulties in some rural locations where it is not easy to engage contractors without incurring a cost premium.

7.72 **Audit has suggested that the NPS conduct a strategic assessment of its experiences to date in the use of external contractors and of resultant costs and benefits. Audit also suggested that the following points be considered as part of the NPS's revision of its policy guidance on the subject:**

- **the costing of internal services under consideration for contracting to allow comparison with the prices quoted by external sources;**
- **the availability of external contractors, particularly in remote or country locations, and identification of any limitations or additional resultant expenses prior to electing to use contractors;**
- **sufficient information with respect to costs, and the recording of other information such as contractors engaged, the types of services provided, summaries of performance and any other relevant matters for ongoing strategic assessment and scrutiny;**
- **provision of training to Rangers and staff involved in contracting external services and administering contracts; and**
- **emphasis on the importance of adequate monitoring and evaluation of contracts for compliance with conditions, satisfaction of performance, ongoing cost assessment and identification of any problems on either party's behalf.**

VOLUNTEERS AND FRIENDS' GROUPS

7.73 The NPS makes extensive use of volunteers to assist in the day-to-day running of many parks. The use of voluntary assistance is particularly prevalent in parks closer to the metropolitan area where more volunteers are available. These volunteers perform a variety of tasks including the staffing of visitor centres, monitoring of the natural environment, general labour work and, in some parks, the provision of interpretive services.

7.74 Many of the volunteers in the parks are organised into 38 *Friends of Parks* Groups across the State, sponsored and promoted by the Victorian National Parks Association (VNPA). Friends groups are organised bodies of volunteers that are able to co-operate with park managers in planning the annual requirements for a park and determining how volunteers can assist in performing tasks.

7.75 With the vital support of the VNPA and its direct contact with active conservation volunteers, the level of co-operation at individual parks has allowed the volunteers to be allocated tasks that they can cope with and which contribute to the protection and preservation of natural values. Such tasks are generally those which Rangers could not undertake due to resource and time constraints.

7.76 The Department acknowledges that great benefit is derived from the work of volunteers. In recognition of the importance attached to the contributions by volunteers to the parks system, the Department has developed a *Conservation Volunteer Strategy* which proposes:

- the establishment of programs for categories of volunteers;
- provision of new opportunities for volunteers;
- development of volunteer opportunities with external groups;
- the formation of a volunteer unit and volunteer co-ordinators in each area; and
- implementation of other initiatives such as a volunteer shop, volunteer database and volunteer handbook.

**Picture Not
Available**

A successful revegetation plot managed by volunteers at the Hattah-Kulkyne National Park.

7.77 In addition, to vary the participation in volunteer activities in parks, the NPS has established the Campus Conservation Corps. This program encourages tertiary students to participate in various conservation projects in parks.

7.78 Audit has suggested that, in seeking to increase volunteer numbers under the positive direction of the new Strategy, the NPS ensure that Rangers and staff with limited experience working with volunteers receive the necessary assistance and advice in generating local support for parks.

7.79 An important consideration for the NPS regarding the use of volunteers is that their work should be duly acknowledged and recognised, both individually and collectively. In this regard, both personal and public recognition may be appropriate. Also, regular contact with *Friends of Parks* groups and individual volunteers needs to be maintained to ensure that the work arrangement benefits both parties, especially in terms of planning for tasks to involve or be undertaken by volunteers.

7.80 It is also important the work of volunteers is monitored by the NPS so that it can be satisfied that the voluntary assistance always complements its own work programs and is consistent with park management plans.

7.81 During the review, audit sought feedback from several *Friends of Parks* groups regarding their perceptions on their role in parks and the current status of the parks. Many of these groups confirmed to audit that the role of their members is to complement that of Rangers, not to supplement it. Although they work in conjunction with Ranger staff, they value their independence and have pride in the successful completion of their projects. The greatest concern of these groups is to ensure on-going quality of the environmental or ecological condition of the parks system in Victoria.

7.82 With the overriding support of groups such as VNPA and the Australia Trust for Conservation Volunteers, volunteers have been a valuable resource to complement the formal responsibility of the NPS in the management of the State's parks. The principal challenge of the NPS, for this aspect of its activities, is to maximise the value-added contributions made to parks by volunteers and *Friends of Parks* groups and, at the same time, avoid any potential over-reliance on voluntary assistance.

7.83 **In the final analysis, the NPS has to be seen at all times, as having the total responsibility for the protection and preservation of parks and the capacity to effectively discharge this responsibility.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

Recent organisational changes within CNR will result in the unit responsible for Volunteers in CNR reporting to the Director, NPS. This will benefit both volunteers and their relationships with the NPS.

POTENTIAL FOR ENHANCING REVENUE MANAGEMENT

7.84 The responsibilities of the NPS for the management of parks encompass a range of revenue-raising activities. These activities, which are undertaken under the authority of the National Parks Act, include fees and charges to the public for entry to certain parks, including camping and other activities, (this is the main source of revenue to the NPS) and the issue of leases and licences for the occupation of land in parks.

7.85 Table 7C below provides details of revenue generated by the NPS in 1993-94 and related revenue targets for 1994-95.

TABLE 7C
NATIONAL PARKS SERVICE,
REVENUE FOR 1993-94 AND REVENUE TARGETS FOR 1994-95
 (\$'000)

Area	Fee and charges		Leases and licences		Delatite Arm Reserve		Mt Dandenong Reserve		Total	
	1993-94 Actual	1994-95 Target	1993-94 Actual	1994-95 Target (a)	1993-94 Actual	1994-95 Target	1993-94 Actual	1994-95 Target	1993-94 Actual	1994-95 Target
North West	29	30	16						45	30
South West	208	218	13						221	218
North East	349	367	19		57	50			425	417
Port Phillip	644	676	10				35	31	689	707
Gippsland	1 868	1 961	123						1 991	1 961
Head Office	8	9							8	9
				330						330
Total	3 106	3 261	181	330	57	50	35	31	3 379	3 672

(a) No revenue targets set for individual areas for 1994-95, in respect of leases and licences; global target of \$330 000 set by NPS.

Source: National Parks Service.

7.86 The audit review highlighted that the NPS could improve its management of revenue in the following areas:

- the identification of unlicensed and unauthorised occupations in parks and conservation reserves;
- increasing the duration of leases to make them more commercially attractive;
- re-assessment of fees for commercial filming and photography;
- exploration of potential sponsorship arrangements;
- maximisation of vehicle entry fees and charges; and
- strategic management of commercial operators.

Unlicensed and unauthorised park occupations

7.87 In May 1994, the NPS commenced a review of leases, licences and occupations on land managed under the *National Parks Act 1975*. The purpose of the review is to determine whether unlicensed and unauthorised occupations exist in parks and to identify other opportunities to improve NPS revenue. The NPS advised audit that it expects the review will be completed by 30 June 1995.

7.88 The NPS has informed audit that its preliminary findings from the review indicate that:

- Data recorded in the Department's Land Information Management System was incomplete and, as a result, the NPS does not have an accurate record of all authorised occupations;
- There are approximately 1 000 unauthorised occupations in parks for which a fee has not been charged;
- The NPS is unable to identify the total revenue it is responsible for collecting from leases and licences;

- Following the Department's restructure in 1993, between \$250 000 and \$400 000 in annual lease and licence payments for activities on land managed by the NPS have been collected by other Divisions in the Department. As a result, the NPS's revenue base for budgetary purposes has been understated;
- The Department's pricing policy has not been updated since 1989; and
- The pricing policy does not address potential new sources of revenue such as site rentals for communication facilities.

7.89 Early finalisation of the review and appropriate action to address and overcome the shortcomings identified during the exercise, will enable the NPS to manage its leases and licences in a more business-like manner and maximise related revenue.

Increasing the duration of leases

7.90 The *National Parks Act 1975* provides the Minister with authority to permit occupation of land in parks and associated buildings. Apart from certain exceptions, the lease period for such occupations is limited to a maximum of 7 years. The exceptions relate to tenancies in respect of kiosks, cafes, stores, scientific research and ski tows which are limited to 20 years.

7.91 The 7 year limit imposed on leases for sites such as camping grounds and residential buildings in parks is not conducive to attracting full attention or interest from potential developers and operators.

7.92 This situation was evident in the case of the Mt Buffalo Chalet when, following legislative amendment to increase the maximum period of the leases in the Mt Buffalo National Park, the NPS was able to attract suitable operators for the Chalet, notwithstanding the history of continual operating losses experienced by the complex over many years.

7.93 If the NPS intends to undertake more sophisticated tourism development across the State, there is a need for the National Parks Act to be amended to allow for more attractive site specific leasing arrangements.

Re-assessment of fees for commercial filming and photography

7.94 Victoria's parks and reserves include many areas of outstanding beauty and other natural features which are in strong demand for inclusion in calendars, audio-visual presentations, books, postcards and posters.

7.95 Commercial filming, as distinct from still photography, potentially involves greater than usual impacts on parks through the presence of assorted crew, support workers, equipment and transport vehicles. In such circumstances, the NPS needs to carefully ensure there is no resultant damage to parks or their natural environment.

7.96 A sample of 9 advertising permits issued by the NPS in 1993-94 is described in the NPS's draft *Guidelines on Commercial Filming and Photography* as typical of permits handled by the NPS. Of these 9 permits:

- one did not attract a fee because it was deemed in the community interest;
- 4 involved very low fees ranging from \$500 to \$650;
- 2 attracted higher fees of \$13 510 and \$1 300, respectively; and
- permits for 2 television programs did not require the payment of any fees.

7.97 Even though the 2 television programs featured the parks as tourism promotions, audit is of the view that the NPS and the State should derive commercial benefit from these exercises rather than allowing organisations awarded permits to be the sole commercial beneficiaries. Audit is also of the opinion that the level of fees for most of the advertisements did not reflect the commercial value of the transaction and, in most cases, would have been insufficient to cover the administrative costs incurred by the NPS.

7.98 The NPS has previously charged low fees for commercial permits due to its own lack of experience on such matters and lack of knowledge of what the market is prepared to pay. There has also been the attitude that profiting from parks in this way is exploitative and thus undesirable. Because of these factors, the assessment process for commercial permits has been unsystematic and lacking in formal structure.

7.99 The NPS now has a policy of increasing revenue targets and attempting to maximise opportunities where it can benefit from its interaction with the private sector. Accordingly, the NPS's current review of guidelines for commercial filming and photography permits needs to be extended to ensure that staff are provided with guidance as to appropriate levels of fees to be charged in such cases. In order to provide this guidance, the NPS should conduct a survey to identify market rates which can be charged in particular situations.

7.100 **Audit commends the intention of the NPS to delegate the approval of commercial permits to Parks and Reserves Managers as it will help to streamline the process and facilitate dealings with the public. However, to ensure that consistency is maintained, audit considers it necessary for NPS Head Office to periodically review the terms of permits granted. Such action would also provide the NPS with consolidated information on market rates.**

7.101 In making the above comments, audit wishes to stress that the overriding consideration for any commercial involvement in parks must always be protection of the natural environment.

Exploration of potential sponsorship arrangements

7.102 Against a background of increasing responsibilities and resourcing pressures, the NPS has identified some potential for sponsorship of parks to supplement government funding. In this regard, the NPS's *Guidelines and Procedures Manual* defines sponsorship as "*a business arrangement ... expected to be to the advantage of both parties*".

7.103 Although the guidelines relating to sponsorship are in need of updating, they are supportive in principle of the concept. However, as with most of the NPS's external relationships, there has been a tendency to view such matters with some caution to the extent where opportunities to attract sponsorship of particular parks or activities have not been actively pursued.

7.104 **The reluctance to attract suitable sponsors has resulted in the NPS not maximising opportunities to attract external funds for park management or specific programs.**

7.105 The Director of the NPS has advised audit that he is in favour of sponsorship arrangements and it is likely that there will be a clear strategic stance on the matter so that staff know exactly what the official position of the NPS regarding sponsorship arrangements will be.

7.106 While all staff need to be encouraged to provide input to attracting sponsorship, the NPS should designate one staff member to co-ordinate this work to avoid the prospect of potential sponsors being contacted for the same reason by staff from different areas.

7.107 By co-ordinating its sponsorship-related operations, the NPS can be more focused and ensure that it does not overstep the boundaries of what is appropriate when approaching potential sponsors for support.

7.108 The benefit of sponsorships of an appropriate aesthetic value would be enhanced if the NPS was to undertake a program identifying potential sponsors and potential sponsorship icons. For example, the NPS could approach sporting companies to sponsor specific works at recognised rock climbing venues such as the Grampians or Mt Arapiles, or photographic film companies to sponsor outstanding look-out points in any of a hundred locations throughout Victoria's parks.

Maximisation of vehicle entry fees and charges

7.109 The NPS charges fees to the public for entry to certain parks including Point Nepean, the Dandenong Ranges, Kinglake and Wilsons Promontory National Parks. Generally, these charges are intended to cover the costs of visitor amenities and car parks which are provided for the convenience of the public and also the protection of the park where heavy vehicular access occurs.

7.110 Although the NPS has raised considerable revenue through the application of vehicle entry and entry fees to parks, it has not maximised its ability to charge fees in all possible locations.

7.111 Many parks in Victoria have multiple access points at which the public can gain entry and not all points of entry are restricted to traditional road access. Further, due to increasing workloads and other established priorities, Rangers in parks with entrance fees are unable to adequately staff collection points during all times of significant visitor numbers.

7.112 While it is acknowledged that it can be impractical to attempt to collect entrance fees for all parks, consideration should be given to alternative methods of fee collection, including the use of automatic ticket dispensers, and or providing Rangers-in-Charge with adequate funds to cover the cost of collecting entrance or car park fees.

7.113 In addition, the NPS needs to consider the following factors when considering revenue raising issues specific to park entrance fees:

- parks which are able to raise revenue should have the cost of collecting revenue recognised by appropriate budget allocations for costs incurred;
- the need to strike a balance between community service obligations and user-pays consideration when determining park entrance fees;
- the need for a pricing policy that accommodates an adequate return for the level of service provided; and
- a formula for distribution of revenue between parks, so that parks with low returns are not disadvantaged.

- **RESPONSE** provided by Secretary to the Department of Conservation and Natural Resources

The Department is in agreement with the Auditor-General's observations in paragraph 7.113 and advises that the NPS will examine the issues identified by the Auditor-General within the context of government policy that entry fees only be charged in national parks with existing entry fee structures (e.g. Wilsons Promontory, Point Nepean etc.).

STRATEGIC MANAGEMENT OF COMMERCIAL OPERATORS

7.114 Operators of visitor-related services on land in parks controlled by the NPS (commercial operators) are required, under provisions of the *National Parks Act 1975*, to be licensed by the Minister. There are 294 commercial operators registered with the NPS operating a range of businesses including trail rides, take-away food outlets and interpretative tours.

7.115 Revenue generated by the NPS from commercial licences in 1993-94 amounted to \$35 000. Currently, commercial operators must pay a \$200 application fee and a royalty of 50 cents per person per day on tours, up to an annual limit of \$800 (royalties were only recently increased from 30 cents per day with an annual upper limit of \$400). Despite resistance by commercial operators to any increase in royalties, the NPS has determined to further increase royalties to \$1 per person per day from June 1995, with an upper limit of \$800.

7.116 The audit review disclosed that:

- during 1994, some applicants experienced unreasonable delays, ranging from 3 to 6 months, by the NPS in assessing their applications;
- calculation of royalties and charges was unsystematic and without economic basis;
- royalties, based on visitor numbers determined by commercial operators, received by the NPS are not subject to ongoing verification; and
- the NPS monitors or assesses the activities of commercial operators on a limited basis.

7.117 In an attempt to reduce the length of time taken to approve a commercial operator's application to one month, a new system was introduced in July 1994 under which all applications are entered onto the Department's Land Information Management System. As all area offices and work centres are linked by computer, it will now be possible for both the areas and Head Office to have prompt input to the assessment of a permit.

7.118 Because of the problems relating to calculation of royalties and charges, the level of royalties charged to operators has not taken into account the cost of administering the system and the resulting impacts on the parks. Commercial operators have also expounded the view to the NPS that if they have to pay too much to the NPS, their businesses will not be viable. In an effort to work with operators, the NPS has kept royalties very low, creating an expectation that this would always be the case.

7.119 **The NPS needs to consider increasing the royalties paid by commercial operators to ensure an economic return in the context of the value of the asset utilised, maintenance, administrative costs and a profit margin.**

7.120 **Funds could be directed to the park generating the revenue expressly for the purposes of visitor impact monitoring, environmental and rehabilitation work and monitoring the activities of commercial operators.**

Monitoring commercial operators' performance

7.121 The Commonwealth Government, in its *National Ecotourism Strategy*, identified the need to monitor commercial operators and encourage them to be self-regulating so that a high level of industry standard can be achieved.

7.122 The granting of licences to commercial operators should be viewed as an integral facet of the tourism business of the NPS. The activities of commercial operators reflect, from a public viewpoint, on the NPS and, as such, it needs to ensure that it effectively manages the assessment and renewal process.

7.123 Currently, the NPS does not monitor the activities of commercial operators nor does it assess the performance of commercial operators when considering the renewal of licence applications. In addition, commercial operators' adherence to licence conditions is not monitored.

7.124 **If the NPS is to achieve maximum benefit from commercial operating licences, it is essential that a monitoring process be established to ensure that commercial operators maintain and deliver services at an acceptable level.**

7.125 **Operators seeking permits or licence renewal should be required to outline their customer service strategy, along with programs for measuring customer satisfaction. In addition, all relevant commercial operators should be required to be accredited members of a professional association such as the Victorian Tourism Operators Association as a basic permit condition.**

□ *RESPONSE provided by Secretary to the Department of Conservation and Natural Resources*

The Department strongly supports the establishment of minimum standards and will investigate accreditation systems. The Department, however, will take care to avoid uses which are a restraint of trade or rely on monopoly associations.