



# KOKODA TRACK AUTHORITY

[A Special Purposes Authority of the Kokoda and Koiari Local-level Governments]

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## Commercial Operations License Conditions 2012

### 1. INTRODUCTION

#### 1.1 BACKGROUND

Commercial Operations Licences allow any company or individual to operate a tourism related business (initially trekking businesses) within the Kokoda Corridor.

The Kokoda Track has historical significance for people in Papua New Guinea and Australia and is a powerful symbol of the enduring relationship between the two countries. Increasing numbers of trekkers are experiencing the physically challenging walk every year, making the Kokoda Track Papua New Guinea's most popular land-based tourism attraction and an important source of national income.

The Owen Stanley Ranges, through which the Kokoda Track passes, is rich in natural and cultural resources. The region is populated by Koiari and Orokaiva people living a village based lifestyle with a unique and living culture. It is also home to thousands of unique plants and animals, making this historic place also one of the most biologically diverse areas in the Asia-Pacific. The Owen Stanley Range is also considered to be the largest area of relatively intact rainforest close the Papua New Guinea's capital Port Moresby.

To maintain a balance between conservation of this spectacular environment, its history, the local cultures and commercial recreational use, the Chief Executive Officer of the Kokoda Track Authority in consultation with the Kokoda Track Authority Management Committee will issue licences to any company or individual operating a tourism related business along the Kokoda Corridor.

Licences are the legal basis that allows approved commercial operation to occur in the Kokoda Corridor in accordance with conditions. Under the Kokoda Track Trek Permit Law 2005 of both the Kokoda and Koiari Local-level governments, persons, whether as individuals or part of a group, who wish to walk the Kokoda Track, are required to obtain a Trek Permit. Trek Permits are available upon application from the Kokoda Track Authority. The Management Committee of the Kokoda Track Authority has determined that Trek Permits will only be issued to Tour Operators who have obtained a Commercial Operators Licence.

This handbook serves a number of purposes to:

- educate and inform Operators as to how they can help maintain and protect the Kokoda Corridor's natural and cultural environment for the long term benefit of the Papua New Guinea people and tourism industry;
- minimise risk to Kokoda Track visitors;
- set minimum standards for operations within the Kokoda Corridor;

- clearly identify the licence conditions which apply to specific operations and areas; and
- clearly identify the licence conditions that Operators must abide by or risk penalty.

## **1.2 KOKODA TRACK AUTHORITIES RESPONSIBILITIES**

The Kokoda Track Authority's draft constitution states;

### FUNCTIONS OF THE AUTHORITY.

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

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

### POWERS OF THE AUTHORITY.

- (1) In accordance with *Section 44 of the Local Government Administration Act 1997* the Authority has power to do all things that are necessary or convenient to be done for or in connection with the performance of its functions.
- (2) Without limiting Subclause (1), the Authority may—
  - (a) set and impose fees on tourism operators and trekkers using the Kokoda Track;
  - (b) issue trekking permits for the Kokoda Track;
  - (c) enter into agreements and commercial arrangements; and
  - (d) acquire, hold and dispose of real and personal property.

## **1.3 WHY THE KOKODA TRACK AUTHORITY LICENCES OPERATORS**

Licensing is a mechanism that helps ensure sustainable use of the Kokoda Corridor.

The purpose of the licences is to provide:

- an enhanced experience for trekkers;
- increased certainty for tour operators;

- compliance with Papua New Guinea laws and regulations;
- respect for local cultural and landowners;
- environmental sustainability;
- a safer environment; and
- fairness to workers.

Operators are required to abide by conditions determined by the Kokoda Track Authority Management Committee. The conditions applicable to Kokoda Corridor Operations are set out in this handbook. Operators should note that nothing in this handbook prevents the Chief Executive Officer (in consultation with the Kokoda Track Authority Management Committee) from adding to, cancelling, suspending and otherwise varying the licence from time to time during its operation.

#### **1.4 HOW OPERATORS FIT IN**

We all have a responsibility to ensure the Kokoda Corridor is preserved for future generations.

Operators have a role to play in ensuring that the Kokoda Corridor and the trekking experience is conserved for the benefit of present and future generations and the long term viability of the tourism industry, by minimising their impact and that of their clients.<sup>6</sup>

#### **1.5 BENEFITS OF LICENSING**

Being licensed entitles you to a range of support material.

Licensed operators will have access to the 'Tour Operator Area' on the Kokoda Track Authority website ([www.kokodatrackauthority.org](http://www.kokodatrackauthority.org)). A password will be provided to operators and tourism business owners that obtain a licence. The Tour Operator Area includes, licensing information, newsletters, Track advice/updates, itinerary planner, Track Maintenance Advisory Committee information, maintenance reports, a forum and an incident report form.

#### **Opportunities for reduced operator costs**

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

#### **Kokoda Track Authority website**

[www.kokodatrackauthority.org](http://www.kokodatrackauthority.org)

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

#### **Training**

The Kokoda Track Authority is developing a range of training opportunities such as guide training and will give preference to licensed operators.

#### **Pre-departure information**

The Kokoda Track Authority has commissioned "Pre-Departure Information" to be developed and will be placed on the KTA website in 2012. This pre-departure information is available to all licensed tour operators and general public

## **1.6 LICENSING PENALTIES**

A licensing system is only as effective as its method of enforcement. Penalties must be set to ensure compliance.

Kokoda Track permits will only be issued to licensed operators. Kokoda Track Authority rangers will continue to check permits and will weigh porter's packs. Campsite administrators will require an operator's licence number/name when any group stays.

### **Penalties for non-compliance**

1. Operating without a licence:
  - a. financial penalty (subject to revised regulations); and
  - b. posting of non-licensed operators names on the Kokoda Track Authority website and Kokoda Track Authority notice-boards along the Track.
2. For a licensed operator not complying with licence conditions:
  - a. serious breach – cancel licence;
  - b. first minor breach – official written warning;
  - c. second minor breach – official second written warning; and
  - d. third minor breach – cancellation of licence for at least one year.

The enforcement will require a co-operative approach with tour operators and local communities to support the Kokoda Track Authority and its officers to ensure only licensed operators are on the Track and that licence conditions are followed.

Local communities are supportive of the licensing system and a campsite administrator will require the licence details when a group camps as an element of the Campsite certification program to be launched in 2012.

The Kokoda Track Authority will publish names of licensed operators on Kokoda Track Authority notice-boards in villages along the Track and Kokoda Track Authority Rangers will continue to undertake permit checks (now to include licence and licence condition checks).

## **1.7 FEE WAIVERS**

The Kokoda Track Authority may, at the discretion of its Chief Executive, waive the application fee in special circumstances but the license requirements will still be enforced. Fee Waivers are mainly designed for charitable groups' visits to the Track to implement their programs.

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

## **1.8 TOUR OPERATOR ACTIVITY**

1. If a tour operator has no activity for a full trekking season (ie 1<sup>st</sup> April – 31<sup>st</sup> October) their license will be revoked. A new license application will be undertaken if the company wishes to operate.

## **2. FREQUENTLY ASKED QUESTIONS**

## **2.1 WHEN IS A COMMERCIAL OPERATION LICENCE REQUIRED?**

The Chief Executive Officer may grant a licence to permit commercial trek operators to conduct business in the Kokoda Corridor area. A commercial operation is defined as the selling of any trekking product or service by any person, partnership, company or other organisation for reward or other consideration. This includes the supply of transport, information, instruction or supervision for the trekking industry within the Kokoda Corridor.

## **2.2 WHAT DO I NEED TO SUPPLY WITH MY APPLICATION FORM?**

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

- a copy of Papua New Guinea company registration or contract engaging a Papua New Guinea registered company proving your adherence to Papua New Guinea legal requirements (no financial or commercial-in-confidence information is required);
- a completed and signed Commercial Operations Licence application form.

## **2.3 HOW WILL COMMERCIAL OPERATIONS LICENCES BE PROCESSED?**

Commercial Operations Licences will have a simple application form that will be processed in the Kokoda Track Authority office. Once a licence has been granted the licensed operator will be entered into a permit database so permits can be processed quickly and easily.

## **2.4 WHAT HAPPENS IF AN OPERATOR SELLS THE BUSINESS?**

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

## **2.5 WHAT HAPPENS WHEN A LICENCE EXPIRES?**

A licence will be valid for three years on a basis of 'use it or lose it'. If an operator does not use their licence during a calendar year then it will be revoked and a new Commercial Operations Licence application required.

Three months before your licence expires, you will receive a renewal reminder and an application form. The earlier you send your renewal in, the quicker your licence can be processed. If the Kokoda Track Authority does not receive a response from this first reminder, a second will be sent at the beginning of the month your licence expires. If the Kokoda Track Authority does not receive a response, a final reminder is issued at the expiry of the licence. After this time you may be refused sale of trek permits.

Licences will not be automatically renewed upon expiry of the licence period. Upon expiry of the licence period the operator should expect that licence operations will be reviewed. The operator will be responsible for all set-up costs associated with the approved operation. The Kokoda Track Authority Management Committee and Chief Executive Officer are indemnified against any loss or expenses should the Licence not be renewed upon the expiry of the licence period.

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

Tel; + (675) 323 6165.

Fax; +(675) 323 6020

Email; [permits@kokodatrackauthority.org](mailto:permits@kokodatrackauthority.org)

## **2.6 WHAT ARE THE FEES AND CHARGES AND WHAT ARE THEY USED FOR?**

The Commercial Operations Licence is not a revenue raising exercise and the fee will be set at a minimal cost. The fee will be K100 for the three year license.

## **2.7 HOW WILL LICENCES BE ENFORCED?**

Kokoda Track permits will only be issued to licensed operators. Kokoda Track Authority rangers will continue to check permits along the Track and will weigh porter's packs. Campsite administrators will require their tour operator's licence number/name when any group stays. For further details on enforcement see section 1.6 Licensing penalties.

## **2.8 HOW WILL SMALLER OPERATORS BE PROTECTED?**

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

## **2.9 WHAT ABOUT WORK PERMITS FOR NON-PAPUA NEW GUINEA TOUR LEADERS?**

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

## **3. GENERAL CONDITIONS**

### **3.1 RISK AND SAFETY**

Operator must carry at all times :

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

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

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

### **3.2 COMPLIANCE WITH LAWS**

a) The Operator agrees to adhere to relevant Papua New Guinea laws and regulations in relation to trekking in Papua New Guinea.

- b) The Operator will be a Papua New Guinea registered company or contract with a Papua New Guinea registered company when undertaking commercial operations in the Kokoda Corridor.
- c) It is the tour operator's responsibility to ensure the compulsory Investment Promotion Authority (IPA) Company registration is maintained. Any lapse in IPA registration will cause this license to be revoked.
- d) War relics are not to be disturbed or removed

*Photocopy of registration or contract with Commercial Operations Licence application (no financial or commercial in confidence details required) sent in with application form.*

### **3.3 INDEMNITY**

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

in relation to this Licence or the Operations.

### **3.4 INSURANCE**

- a) The Operator shall at all times during the period of the Licence maintain a policy of public liability insurance, that covers the area and operations allowed under the Licence, in the name of the Operator to the extent of its respective rights and interest for a sum of not less than 2,000,000 (2 Million) Kina per event.
- b) The Operator shall provide the Kokoda Track Authority proof of the existence and currency of such insurance policy whenever requested by the Kokoda Track Authority during the term of the Licence.
- c) The Operator shall pay all premiums of the public liability insurance policy when they are due, comply with all of the terms of that insurance policy and shall make the insurer aware of the Licence, these conditions and the indemnity given the Kokoda Track Authority.

*Photocopy of policy sent in with application form*

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

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

### **3.5 GROUP SIZE**

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

*Kokoda Track Authority will check websites and promotional material*

### **3.6 TREKING FEES**

a) The Operator agrees to purchase the appropriate Kokoda Track Authority trekking permit for each Client booked on and undertake a trek during the Licence period.

*Checked by Kokoda Track Authority rangers on the Track.*

*Trekking without purchasing a valid trek permit will result in the loss of your Commercial Operations License*

### **3.7 STATEMENT OF INTENT**

Operator agrees to have respect for:

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

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

Operator agrees to:

- pay all guesthouse and campsite fees prior to moving on from that location.
- not open new sections of Track without the express permission of landowners and the consent of the KTA

*Statement of intent to respect the wishes of the communities acknowledged and signed on the Commercial Operations Licence application form by the Kokoda Track Authority*

### **3.8 DUTY OF CARE TO STAFF**

Operator agrees to have respect for local staff and adhere to minimum standards for pay, equipment and other conditions for staff including:

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

*Checked by Kokoda Track Authority rangers on the Track*

### **3.9 KOKODA TRACK AUTHORITY REPORTING**

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

*Information to be shared in monthly newsletter (tour operator will not be identified)*

b) The Operator is given the option of providing Track condition reports.

### **3.10 ENVIRONMENTAL CARE**

Operator agrees to:

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

### **3.11 TOUR OPERATOR LIAISON**

Operator agrees to work with other operators to promote a positive image of the Kokoda Track trekking industry, and agrees:

- to pay any legitimate trekker refunds within 14 days
- to refer disputes not resolved by the operator within 28 days to the KTA and/or the PNG Tourism Promotion Authority
- to not engage in any activities that promotes Track Closures
- to direct any proposals for the construction of markers, memorials or other permanent structures along the Kokoda Track to the KTA and the PNG Tourism Promotion Authority for consideration