



**Backpacker Operators
Alliance of Victoria**

STARTING UP A TOURING BUSINESS

WHAT IS A TOURING BUSINESS?

A touring business provides transport along with scheduled guided itineraries, and sometimes also makes arrangements for meals and accommodation. Touring businesses generally own or lease vehicles and provide guides/drivers.

TYPES OF TOURS

- Full & half day tours
- Extended tours
- Group package tours
- 4X4 Adventure tours
- Tag-along tours
- Walking tours
- Cycling tours
- Horse Riding Tours
- Winery Tours

THE BASICS:

1. Make sure you and your family are ready – this industry has a demanding set of skills that will probably change your lifestyle
2. Do your homework and know your local, state and federal requirements
3. Have you researched adequate demand and support for your tour?
4. Ensure that you're appropriately insured as a tourism business
5. Good tourism businesses are always changing and growing; undertake all relevant research
6. Be adequately resourced. It will take longer than you think to get things off the ground and to reach break-even, let alone make a profit
7. Approach the business concept strategically; develop a business plan

AM I READY TO TAKE THE NEXT STEP?

Running a tour business is definitely not a nine-to-five job. How ready are you to take the next step? Tick () either Yes or No for the following:

	Yes	No
Have you thoroughly researched potential tourism markets and the level of competition in the area you plan to set up your business?		
Have you approached existing businesses that you wish to include in your itineraries/packages (e.g. attractions, accommodation) and established access and support - (including negotiated rates if applicable).		
Are you willing to work long hours, as tourism is not a 9 to 5, Monday - Friday industry?		
Have you investigated the local, state and federal compliance and legislation areas that could be relevant to your business (Including transport and licensing laws, insurance etc)?		
Do you have the financial resources to cover start up and living costs until your business becomes profitable? Could you survive 2-3 years before making a profit?		
Have you written a comprehensive business plan, complete with a marketing plan and projected budget?		

If you answered 'No' to any of the questions above, it is recommended that further research is undertaken before commencing your business.

Start by completing;

STEP-BY-STEP:

Are you ready to start a business at the Business Victoria website: www.business.vic.gov.au/stepbystep

Do you have the personal attributes to run a tourism business?

For a set of key questions worth considering, click here



Backpacker Operators Alliance of Victoria

www.tourismexcellence.com.au/pdf/module3/Personal%20Attributes.pdf

What skills do you have, and what skills gaps will you need to fill?

To help you to assess your skill level and training needs, click here:
www.business.vic.gov.au/BUSVIC/STANDARD/PC_60694.html

Have you researched the market demand for your attraction and the need for your business?

To discover free and low cost research opportunities, click here:
www.tourismexcellence.com.au/module3/index.php?page=research

REACHING YOUR DECISION

Once you have researched the above resources ensure you have covered the following key elements within your business planning process before reaching your decision:

1. Ascertain how much the operation will realistically cost to set up. Consider seeking independent financial advice
2. Ensure you have adequate funds to both invest in the business and cover operating costs from other income sources or savings until the business breaks-even (typically 2-3 years)
3. Ensure you have researched all relevant legal compliance and legislation your business will be subject to (and their costs). Speak to your local council and legal representative to be sure
4. Ensure you have undertaken a thorough business analysis covering elements unique to your tour. These include comparative and competitive advantages, access to staff and other business requirements, fixed and non-fixed costs and seasonality of trade
5. Ensure you meet with your local council tourism and/or economic development group to discuss marketing and other support services

available in your proposed region. Both for new and existing businesses

ARE YOU READY TO PROGRESS FURTHER?

1. Have your completed business and marketing plans indicated that you have a viable and profitable business option?
2. Are you and your family willing to undertake such a big investment - financially and mentally?

MEETING COMPLIANCE AND LEGISLATION REQUIREMENTS

Applying for a vehicle licence - Driver Accreditation (Commercial Passenger Vehicle)

To drive a bus or special purpose vehicle in Victoria, you must hold a Driver Accreditation as well as a Victorian Driver's Licence. This accreditation is required if your business will be providing a service carrying passengers by bus or a vehicle with more than 13 seats. Obtaining this accreditation will ensure you have met the prescribed standards relating to the provision of road transport passengers services, passenger and public safety, service to passengers and vehicle and equipment safety.

A commercial passenger vehicle is any motor vehicle that is used or intended to be used for carrying passengers for hire or reward. In addition to taxis and hire cars, commercial passenger vehicles include:

- Special purpose vehicles (e.g. vehicles used for weddings or tours);
- Restricted hire car vehicles including pre-1943 vehicles, four wheel drive tours;
- vehicles, motorcycles and non-emergency ambulances; and
- Route, tour and charter buses.

Accreditation can be arranged through the Department of Transport:
<http://www.transport.vic.gov.au/DOI/Internet/vehicles.nsf/AllDocs/CBB4A54284E0881CCA256F32001FE992?OpenDocument>

APPLYING FOR A TOUR OPERATOR LICENCE

All operators offering outdoor travel, adventure or educational tours on public land areas in Victoria on a commercial basis must hold a current tour operator permit. Non-profit organisations and schools are also required to obtain permits for their activities at specific public land sites.

Commercial activities on public land which require a permit include, but are not limited to the following:

- bushwalking
- bicycle riding
- horse riding
- canoeing
- rock climbing and abseiling tours
- tours visiting the 12 Apostles, The Grampians and other National Parks.

Further information for prospective tour operators may be found here:
http://www.parkweb.vic.gov.au/resources/16_0854.pdf

FURTHER LICENCES, REGISTRATIONS AND PERMITS

To register a business or company name: business name registration with Consumer Affairs Victoria, or company name registration with the Australian Securities and Investments Commission.

To register for tax: Tax File Number, Australian Business Number and GST / PAYG withholding registrations from the Australian Taxation Office.



Backpacker Operators Alliance of Victoria

To play recorded music: music licences from the Australian Performing Rights Association and Phonographic Performance Company of Australia.

Make the job easy – use BLIS

The easiest way to identify the range of licences, registrations and permits you will need is to use the Business Licence Information Service (BLIS).

Go to www.business.vic.gov.au/blis, click 'Search the Victorian Business Licence Information Service (BLIS)', choose the report type you want, and search for 'tourism'. BLIS will create a report of your relevant licences, application forms for those licences and details of the authorities you will need to contact.

INSURING YOUR BUSINESS

As well as insuring your premises and assets, the following additional insurances can be critical for tourism businesses.

1. Public liability of at least \$10 million to cover paying customers
2. Product liability to cover prepared food or other products offered to guests
3. Motor vehicle insurance if your vehicle is used for business purposes
4. Personal injury and/or income protection, especially if WorkCover is not applicable to your business. Personal injury and income protection are often taken out by sole traders and partnerships.

To learn more about this vital aspect of operating a tourism business, click here: www.tourismexcellence.com.au/module3/index.php?page=insurance

OTHER BUSINESS AND TOURISM RESOURCES

Bus Association Victoria (BusVic)

This association represents all bus

and coach operators within Victoria. Membership provides industry specific advocacy, support, networking and training opportunities.

For more information click: <http://www.busvic.asn.au>

Accreditation

Accreditation is a set of industry standards established by the tourism industry to be a model for better business practice and customer service. In other words, accreditation provides business operators with a guide or outline of industry requirements to help them plan, develop, improve and document their business practices and procedures.

Tourism Accreditation Board of Victoria Inc

The Tourism Accreditation Board of Victoria Inc (TABV) administers the accreditation program in Victoria. TABV contact details:
Address: Level 2,
10 Queen Street, Melbourne, VIC 3000
Phone: (03) 9620 4199
info@tourismaccreditationvic.com.au
www.tourismaccreditationvic.com.au

Seek Advice

Professional advice sought at this stage can save money and headache down the track. Accountants, solicitors, business advisors, management consultants and experienced tourism staff can be sourced to provide objective and realistic advice. Don't let your heart rule your head!

Planning for growth

Once you're established, you need to plan for growth. Use the following contacts list to plan and develop an outstanding Victorian tourist attraction. Tourism Victoria's online Tourism Excellence modules will also be an invaluable source of information as you proceed down the path to profitability.

To view all the Tourism Excellence modules, click here:
www.tourismexcellence.com.au

To view module 3 'Business Excellence', click here:
www.tourismexcellence.com.au/module3/index.php

Starting Up In Tourism Workshop

Tourism Alliance Victoria, Small Business Victoria, Tourism Victoria and the OAMPS have combined their expertise and resources to develop an introduction into the tourism industry for new operators. Its intention is to provide a strategic insight across a range of essential business practices and improve overall business acumen and planning.

For more information visit www.tourismalliance.com.au

TOURISM INDUSTRY RESOURCES

Other valuable resources for business starters are:

- The Victorian Business Line on 13 22 15
- Business Victoria website: www.business.vic.gov.au
- Victorian Business Centres (see last page)
- Deciding to start up a tourist attraction

Victorian Consumer and Business Centre

- walk-in customer service centre at 113 Exhibition Street, Melbourne 3000

Victorian Business Centres

- located across metropolitan and regional Victoria
- for contact details go to the Business Victoria website



Backpacker Operators Alliance of Victoria

Victorian Business Line 13 22 15

www.business.vic.gov.au
www.business.vic.gov.au/blis
www.business.vic.gov.au/stepbystep
www.business.vic.gov.au/vbc
www.business.vic.gov.au/workshops
www.sbms.org.au

Tourism Excellence

Tourism Excellence is a website initiated by the tourism industry and supported by Tourism Victoria and Tourism Alliance.

The extensive information online is also supported by a new range of Tourism Excellence workshops delivered through all Regional Tourism Organisations.

www.tourismexcellence.com.au

Join the Local Tourism Association (LTA)

LTA's work with local government, their regional Tourism Association and Tourism Victoria to market and develop tourism in their local area.

Local Tourism Associations

- get contact details for the local LTA from your council
- Go to the Department for Victorian Communities website:

www.dvc.vic.gov.au and use 'Find your local Council' to make contact.

Tourism Victoria and BOAV does not accept any liability or responsibility in the event of any person being subjected to legal proceedings for any failure of any statutory or other duty under any Act or Award, whether or not such proceedings arise directly or indirectly from any material contained in this fact sheet.



Backpacker Operators
Alliance of Victoria

BOAV, 486 ALBERT STREET
EAST MELBOURNE VIC 3002
PHONE: 03 8662 5140
FAX: 03 8662 5462
EMAIL: info@boav.com.au
WEB: www.vecci.org.au/boav

This fact sheet is part of a series prepared by VECCI Tourism and Events to support the development of a professional and sustainable tourism industry. Intellectual Property is held by VECCI Tourism and Events Victoria. Specifically, VECCI Tourism and Events Victoria will maintain rights to use the information within this fact sheet free of charge in perpetuity. Copyright protects this document. Materials may only be copied with the applicable copyright and other notices included. Any other use including the modifications of the content of this fact sheet requires the prior written permission of VECCI Tourism and Events Victoria. VECCI Tourism and Events Victoria have applied due diligence in producing the material contained in this fact sheet. No responsibility or liability is accepted by VECCI Tourism and Events Victoria in the event of any person being subjected to legal proceedings for failure of any statutory or other duty under any Act or Award, whether or not such proceedings arise directly or indirectly from any material contained in this fact sheet.