CHAPTER-II

TOURISM DEPARTMENT

2.1   Performance Audit of promotion of tourism in Goa

Goa is a popular tourist destination, famous especially for its beaches. The Goa tourism policy while outlining several measures to promote tourism in the State did not establish roles, responsibilities, organisations, agencies to assist in the execution of the action plan. Execution of new tourism projects suffered due to delay in obtaining various regulatory and other mandatory permissions/approvals. Amenities like parking and toilets were not adequately provided and maintained at popular tourist destinations. Ineffective monitoring by the Department resulted in violations and irregularities by beach shacks and water sports operators. Planning for advertisements and campaigns was not conducted by formulating a well designed strategy and the impact of advertising efforts was not assessed. Community participation in development of tourism was found lacking. Solid waste management in coastal areas was ineffective due to lack of treatment facilities. There is a possibility of one beach becoming unsuitable for tourism due to environmental damage inflicted by a ship which ran aground but could not be removed for 12 years. Some of the key findings are highlighted below.

Highlights

■ **Tourism policy formulated in 2001 was not revised. It did not spell out the role of various departments, agencies and organisations and indicate timelines for carrying out the tasks outlined in action plan.**

(Paragraph 2.1.6.2)

■ **A single consultant was appointed without calling of tenders in May 2008 for providing consultancy services for various tourism projects. Out of 10 infrastructure projects proposed for execution with Central Financial Assistance at a total estimated cost of ₹ 238.24 crore, only one was under execution, three were yet to be sanctioned by GoI and execution of the remaining six projects was held up for want of various approvals/permissions.**

(Paragraphs 2.1.7.1 and 2.1.7.2)

■ **Amenities at tourist places like parking lots, toilets and changing rooms were inadequate and poorly maintained, wherever they existed. The Department's control over irregularities by beach shack owners was found to be inadequate and weak.**

(Paragraphs 2.1.9.1 and 2.1.9.3)

■ The selection of advertising agencies and award of contracts for various promotional events were not transparent. The Department was not able to measure the outcome of the various promotional events undertaken by the agencies, in the absence of clear deliverables. Electronic campaigns of the Department were found to be expensive by ₹ 5.63 crore when compared with the rates offered by the Directorate of Advertising and Visual Publicity, GoI, during the similar period and for similar time slots.

(Paragraphs 2.1.11.1, 2.1.11.2 and 2.1.11.4)

■ New tourism products like festival tourism, health tourism and monsoon tourism were not adequately promoted. The Government did not make any additional arrangements to start cruise activities in other parts of the State. A number of water sports operators carried out business without valid registration with the Department.

(Paragraph 2.1.12)

■ Poor management of waste in North Goa coastal belt resulted in contamination of water in the Salmona spring. The excessive drawal of ground water in the coastal belt due to tourism related activities resulted in lowering of ground water table at an alarming rate. Due to mining of iron ore in the vicinity of Harvalem waterfall, the place was losing its identity as a religious and tourist spot.

(Paragraphs 2.1.13.2, 2.1.13.3 and 2.1.13.8)

■ The Department took 12 years to dispose of a grounded ship near Sinquerim beach resulting in erosion of land valued at ₹ 21 crore and loss of ₹ 17 crore to business and other establishments.

(Paragraph 2.1.13.10)

2.1.1 Introduction

Goa situated on the West coast of India has an area of 3,702 sq km with 105 km long stretch of seashore. Goa has over the years attracted tourists, both national and international, on account of its scenic beauty. In terms of topography, Goa falls into three distinct areas of Western Ghats, the midland region and the coastal region.

Most of the Tourism in Goa is concentrated on the coastal stretches. There are a total of 34 important beaches, 16 in the North Goa and 18 in the South Goa. Beaches in the North Goa like Calangute, Vagator, Anjuna and Baga are more popular and crowded than beaches in the South Goa. Some of the popular beaches in South Goa are Colva and Palolem.

2.1.2 Organisational set-up

Department of Tourism

The Secretary, Department of Tourism (Department), Government of Goa is the administrative head of the Department. Policy formulation, planning and its implementation, development of infrastructure are executed through the Directorate of Tourism. The management of hotels established by the Department and other commercial revenue generating activities are carried out by the Goa Tourism Development Corporation (GTDC).

The Directorate of Tourism with its headquarters at Panaji is headed by a Director who is assisted by two Deputy Directors, five Assistant Deputy Directors and one Assistant Accounts Officer. The Director is designated as the competent authority for administration of Goa Registration of Tourist Trade Act (GRTTA), 1982 and Rules made there under and the Goa Tourist Places (Protection and Maintenance) Act, 2001.

Goa Tourism Development Corporation

GTDC was incorporated on 30 March 1982 as a wholly owned company of the erstwhile Union Territory of Goa, Daman and Diu. On formation of the State of Goa, the company became a State Government company in 1987. The main objectives of the GTDC was to acquire and take over from the Government of Goa all assets related to tourism together with liabilities, if any, and to run and manage the assets with a view to promote and develop tourism in the State.

2.1.3 Scope of audit and methodology

The audit commenced after an entry conference held on 14 June 2012 with the Secretary, Tourism and the officials of the Directorate of Tourism and GTDC. Audit checked the records for the period 2007-08 to 2011-12 maintained at Directorate of Tourism, GTDC and Pollution Control Board. Site visits were conducted at popular beaches for verification of physical infrastructure. Audit observations were initially issued to the Director of Tourism and Managing Director of GTDC and their replies have been incorporated in the performance audit, wherever feasible. The findings of the audit were discussed with the Principal Secretary, Tourism and Director of Tourism in the exit conference held on 01 March 2013. Audit acknowledges the cooperation extended by the Department of Tourism and GTDC in conduct of audit by providing information, records and replies to the audit observations.

2.1.4 Audit objectives

The objectives of the performance audit were to seek an assurance whether:

- policy making, planning and implementation were realistic, time bound and effective;
- physical infrastructure existed and were properly maintained;
- measures adopted to ensure safety of the tourists were adequate;
- promotional measures were effective and efficient;
- development of new tourism products had received due attention and resources; and
- issues relating to environmental impact of tourism were adequately addressed.

2.1.5 Audit criteria

Performances of the entities were audited against criteria set out in the following documents:

- Goa Tourism Policy and Tourism Master Plan, 2001;
- Provisions of Goa, Daman and Diu Trade Registration Act, 1982;
- GTDC Act, 1982 and Companies Act, 1956; and
- Provisions of Government Accounting Rules, General Financial Rules, Receipt and Payment Rules and other regulations in force.

Audit findings

2.1.6 Policy making, planning and implementation

2.1.6.1 Trend of tourist arrivals

Domestic as well as foreign tourists prefer to visit Goa during the months of October to March and the four months of monsoon from June to September witness lesser number of both categories of tourists. The details of tourist arrivals in the State were as under:

Table 1: Number of tourist arrivals in Goa

(figures in lakh)

Year	FTA (India)	FTA (Goa)	DTA (India)	DTA (Goa)	Total (Goa)	FTA %	DTA %
2007	50.81	3.88	5265.64	22.08	25.96	7.64	0.42
2008	52.82	3.51	5629.82	20.20	23.71	6.65	0.36
2009	51.67	3.76	6688.00	21.27	25.03	7.28	0.32
2010	57.75	4.41	7477.03	22.01	26.42	7.64	0.29
2011	62.90	4.45	8508.56	22.22	26.67	7.07	0.26

(FTA: Foreign Tourist Arrivals; DTA: Domestic Tourist Arrivals)
(Source: Statistical Bulletins, 2008 and 2012 published by the Department of Tourism)

Out of the total FTA in India, only 7 *per cent* visited Goa. United Kingdom, Russia and Germany were the major countries contributing to FTA in Goa with their nationals accounting for more than 60 *per cent* of the foreign tourists. FTA witnessed negative growth in the year 2008 but during 2007-11, there was growth in tourists arrivals compared to the previous year. This growth however was not significant in the year 2011 as compared to the year 2010 indicating stagnation in the FTA. The State did not figure in the top 10 States of the country in attracting foreign tourists during the years 2009 and 2011.

Share of domestic tourists was less than half a *per cent* of the total tourist arrivals in the country. However, for Goa, domestic tourists comprised more than 80 *per cent* of the total tourist arrivals which seemed to be stagnating from 2009 onwards.

During exit conference, the Principal Secretary, Tourism stated (March 2013) that arrivals in Goa had been understated and the statistics was not properly collected in respect of tourists arriving through road/rail and staying in unregistered accommodations. He further stated that measures were being taken to improve the statistics collection.

2.1.6.2   *Goa tourism policy and tourism master plan*

A policy is a principle or rule to guide decisions and achieve rational outcome. It is focused on action, stating what is to be done and by whom. Scrutiny of Goa's tourism policy was carried out in Audit to study the framework designed for the development of tourism in the State. The scrutiny revealed the following:

- The Goa tourism policy was formulated way back in 2001 which had not been revised subsequently despite the fact that tourism in Goa was a major economic activity having direct and indirect co-rrelation with all other sectors.

- The policy does not spell out the agencies and organisations within the Government and outside, responsible for carrying out the tasks

outlined in action plan, such as identification of potential tourist destinations, launching entrepreneurship development and self-employment schemes, focusing on development of eco-tourism, cultural heritage tourism and adventure tourism, improving the efficacy of tourist facilitation services, imposing regulatory measures on developers/operators/tourists/local communities *etc.* No timelines were established for implementation of the action plan.

■ The policy also does not recognise the need to develop effective linkages and close co-ordination with other Departments like Police, Transport, Railways, Aviation and Environment in order to promote tourism in an effective and efficient manner. Thus, the objectives were not supported by initiatives across the Departments.

■ The policy does not delve into crime prevention strategy and visitor protection program. In the absence of any strategy, crime against tourists had shown a continuous increasing trend during 2007-10 as discussed in paragraph 2.1.10.

■ The State does not have a Tourism Board though envisaged in the policy of 2001.

■ The Department had a Tourism Master Plan (TMP) prepared in February 2001 by a private consultant which formed the basis for implementation of various tourism related activities in the State. However, the TMP had not been revisited by the Department considering the emerging requirements and the challenges thrown up by this sector in the intervening period.

During exit conference, the Principal Secretary, Tourism stated that formulation of new comprehensive tourism policy and Tourism Master Plan was in progress and expected to be completed by April 2015.

2.1.6.3   *Budgetary provisions and expenditure*

The budget provisions and expenditure of the Department during the period 2007-12 is given below.

Table 2: Budget provisions and expenditures

(₹ in crore)

Year	Revised estimate		Actual expenditure		Savings		
	Non plan	Plan	Non plan	Plan	Non plan	Plan	Total
2007-08	3.08	30.00	2.45	28.58	0.63	1.42	2.05
2008-09	3.88	40.14	2.79	32.20	1.09	7.94	9.03
2009-10	4.53	57.66	3.74	49.80	0.79	7.86	8.65
2010-11	4.58	81.25	4.17	49.56	0.41	31.69	32.10
2011-12	9.03	86.40	4.99	59.75	4.04	26.65	30.69
Total	**25.10**	**295.45**	**18.14**	**219.89**	**6.96**	**75.56**	**82.52**

(Source: Appropriation accounts)

As against the total budgetary provision for plan expenditure of ₹ 295.45 crore the Department could utilise only ₹ 219.89 crore as on March 2012. During the years 2010-11 and 2011-12 allocation of ₹ 7.75 crore was not utilised since no claims were received under the Tribal Area Sub-plan. Allocation of ₹ 4.08 crore for participation in International Travel Marts (ITM) was surrendered during the years 2008-09, 2010-11 and 2011-12. During the period 2008-12 the Department received a total Central Financial Assistance (CFA) of ₹ 73.59 crore for seven[1] infrastructure development projects in the State. The detailed audit findings on implementations of the central projects are incorporated under paragraph 2.1.7.

2.1.7 Execution of projects under central financial assistance

Under the central scheme of 'Product/Infrastructure Development for Destinations and Circuits', financial assistance is provided by GoI based on the project plan and estimates submitted by State Governments. As per the revised guidelines issued by GoI in September 2006, the State Governments were required to submit Detailed Project Reports (DPR) for availing of CFA. The DPRs prepared by the State agencies in Goa for five[2] tourism products at ₹ 81.44 crore were however returned (October 2007) by the GoI for not being in tandem with the revised CFA guidelines for schemes under 'Product/Infrastructure Development for Destinations and Circuits'.

2.1.7.1 Appointment of a single consultant

Audit scrutiny revealed that GoI advised (January 2007) the State Government to maintain a panel of qualified architects and project consultants for conceptualisation and preparation of DPRs. However, the Department *suo-motu* submitted (December 2007) to the State Government, the offer of M/s Lotus Environments (M/s Lotus) to provide consultancy services for tourism projects. M/s Lotus was appointed as consultant in May 2008. The process of appointing consultant without calling of tenders deprived the State of competitive, qualified offers besides being in violation of GoI directives. The selection was further justified to the Council of Ministers of the State citing the inclusion of M/s Lotus in the panel approved by the India Tourism Development Corporation (ITDC). However, the Department failed to disclose that the panel by ITDC had been approved in April 2009, a full year after M/s Lotus had been appointed in Goa. Ex *post facto* approval of the Cabinet was obtained in August 2011 for appointment

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[1] (i) Integrated development of infrastructure for Heritage and Hinterland tourism, (ii) Development of Green belt, (iii) Development of Goa Haat in Panaji, (iv) Development of Baga coastal circuit, (v) Development of Colva coastal Circuit, (vi) Convention Centre, and (vii) State Institute of Hotel Management and Catering Technology

[2] (i) Development of infrastructure/upgradation of access of tourist destinations in Goa, (ii) Beach safety management system in Goa, (iii) Development of eco-tourism project in Goa, (iv) Construction of Paryatan Bhavan at Patto, Panaji, and (v) Development of tourism jetty and parking lot at Panaji

of M/s Lotus in May 2008 for a consultancy fee of ₹ 9.53 crore at the rate of four *per cent* of the project cost (₹ 238.24 crore).

2.1.7.2 Delay in implementation of CFA projects

The consultant, M/s Lotus, prepared (December 2008) the DPR for the project of Integrated Development of Infrastructure for Heritage and Hinterland Tourism in Goa (IDIHHT) at a cost of ₹ 74.42 crore. The GoI approved the project with CFA of ₹ 43.10 crore and the first installment of financial assistance of ₹ 21.55 crore was released in February and June 2009. Further, nine projects costing ₹ 163.82 crore were entrusted (between July 2009 and November 2010) by the Department to M/s Lotus. The State's share of the cost of 10 projects constituted ₹ 106.47 crore (45 *per cent*) and the GoI share at ₹ 131.77 crore. The GoI released ₹ 73.59 crore on seven projects until July 2011. The details of the projects, the cost involved and the progress of the work are detailed in *Appendix 2.1.*

The CFA conditions stipulated commissioning of projects within 24 months. However, any cost escalation on account of delay would have to be borne by the State. Further, as per the agreement, the consultant was to prepare the plans, specifications and drawings in connection with the works and secure all sanctions and approvals from the concerned Government departments, local or central or other authorities. The consultant was also responsible for preparing the DPR after considering the provisions of coastal zone regulation, town and country plans, available floor area ratios *etc*. Audit scrutiny revealed that the consultant and the Department were collectively responsible for delays in execution of these projects due to delay in obtaining various regulatory permissions, tendering and award of work. Three such cases are discussed below.

Convention Centre project

CFA of ₹ 4 crore was released in March 2010 for the construction of a convention centre. M/s Lotus prepared the DPR considering high Floor Area Ratio (FAR) than the permissible FAR of the location at Campal, Panaji. The Department approached the North Goa Planning and Development Authority (NGPDA) and the Chief Town Planner (October 2010) for relaxing the FAR regulations. As the NGPDA has not approved the proposals, the Department proposed (October 2011) to shift the location of convention centre to Margao. The DPR was not approved by the South Goa Planning and Development Authority as of August 2012. The preparation of DPR without considering the FAR of the location proposed for the project, thus, resulted in non-utilisation of CFA amounting to ₹ 4 crore for more than two years.

Goa Haat project

Under the CFA scheme for destination development, M/s Lotus prepared (December 2010) DPR for construction of Goa Haat to serve as a platform to promote the handicrafts from local and other states. Goa Haat was sanctioned by the State Government at a cost of ₹ 24.76 crore with the CFA of ₹ 5 crore and the balance with State fund. The GoI approved (March 2011) the proposal of the State Government and also released ₹ 4 crore. The construction work projected to start from the year 2010-11 was yet to begin as tender schedules and drawings were not approved by various authorities.

Audit observed that the Government had approved the project on the basis of an annual revenue generation of ₹ 11 crore as projected in the DPR. The Department neither obtained any minimum guarantee for revenue generation from the consultant nor conducted any third party assessment on the feasibility of revenue generation. The consultant was paid ₹ 40.97 lakh (April 2011) at the approval stage itself.

Development of green belt

M/s Lotus submitted the DPR at a total project cost of ₹ 39.72 crore for the development of green belt with a central component of ₹ 30 crore and state component of ₹ 9.72 crore. The project was approved by GoI in March 2011. Except for payment of ₹ 65.72 lakh to the consultant (July 2011), the selection of agencies or issue of work orders for execution of work was yet to be initiated. Further, NOC/approvals from Goa Coastal Zone Management Authority (GCZMA), NGPDA, Public Works Department (PWD) and Corporation of City of Panaji (CCP) were also pending.

As on September 2012, the Department spent ₹ 5.34 crore only on one[3] out of the seven approved projects. In addition, the Department paid a total consultancy fee of ₹ 3.86 crore to M/s Lotus (October 2012) for 10 projects. Works on six out of seven approved projects remained non-starters. The second installment of GoI funds would be further delayed due to non-utilisation of the first installment. As the fee payable to the consultant was based on the actual expenditure incurred, delays in execution of projects and consequent cost escalation would not only increase the State's share of costs but also benefit the consultant in the absence of any capping on his fees.

During exit conference, the Principal Secretary, Tourism admitted the delay in implementation of Centrally Sponsored projects and stated that the process of empanelling Project Management Consultants had started and the projects would commence soon.

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[3]Tourist Information Plaza ₹ 4.81 crore, pathway under Patto bridge ₹ 0.21 crore and open bus parking ₹ 0.32 crore (Sl. No. of Appendix 2.1)

| 2.1.8 | Collection and publication of statistical information |

Goa Tourism policy, 2001 called for an action plan to strengthen the statistical machinery, reporting system and development of a comprehensive data base to quantify and evaluate the socio-economic benefits of tourism.

One of the tasks assigned to the planning section in the Department is to publish the statistical bulletin. The Department had published the statistical bulletin in the year 2009. Audit observed that after the year 2009 the bulletin was not published upto the year 2012. It was also observed that general information pertaining to tourism sector like accommodation-wise details of tourists, distribution of domestic tourist visits by state of origin, *etc.* which was an indicator of tourism trends and economic trends indicating earnings from tourism, foreign exchange earnings from tourism, tourism's contribution to State's GDP, average per day expenditure of a foreign and domestic tourist *etc.*, were not being collected and published.

| 2.1.9 | Adequacy of physical infrastructure |

The audit findings are discussed below:

2.1.9.1 *Provision and maintenance of basic amenities at tourist places*

Audit conducted an inspection with Departmental authorities (September 2012) on the provisions of basic tourist facilities like adequacy of parking, toilets, changing rooms, cleanliness and access roads at 13 popular beaches out of total 34 beach destinations in Goa. Summarised findings are indicated in *Appendix 2.2*.

Audit noticed that signages were present in all the beaches except in Arambol Beach and public transport was available to all the sites. Further, scrutiny of DPR of IDIHHT showed that out of the 14 destinations considered for development, four did not have organised parking, eight did not have parking provision at all and there was a need for improved connectivity of roads in the case of 13 destinations. At the same time due to non-availability of changing rooms in beaches, the tourists were forced to change in the open.

2.1.9.2 *Cleanliness of beaches*

Cleanliness of beaches is vital where beaches form the prime tourist attraction. Tenders were invited for beach cleaning in September 2008 for the period October 2008 to June 2009 extendable up to September 2009. The beach stretch was divided into seven strips for the purpose of cleaning contracts. The lowest bidders were selected and work orders were issued in November 2008 to selected bidders. The work orders for all the beach stretches were then extended six times during the period from July 2009 to November 2011. The total expenditure incurred was ₹ 1.48 crore towards

beach cleaning by seven contractors. Fresh tender notice was issued in June 2011 and work orders were issued to the selected bidders in December 2011.

Deficiencies in appointing agencies

Audit observed that no agreements were executed by the Department with the contractors. Extension of work for all the beach stretches was given retrospectively, between two and nine months after expiry of the validity period of the contract. The bank guarantees furnished by the contractors expired in June 2009 but no action was taken by the Department to revalidate the bank guarantees. In the absence of agreements, the Department was not in a position to safeguard its interest in the event of deficient performance by the contractor.

The Department agreed (September 2012) that the agreements were not executed with the beach cleaning contractors due to delay in administrative and financial approvals.

Beach inspections

Monitoring of the performance of the beach cleaning contractors was to be carried out by the Departmental inspectors and information assistants who were to submit regular inspection reports to the Director of Tourism. The inspections were carried out on a regular basis for South Goa beaches and reported on monthly basis. However, site inspection reports for North Goa beach stretches (N-1 to N-4) comprising 16 beaches were submitted to the Head Office only two[4] to five times during the period from July 2009 to November 2011 (40 months). The ineffective monitoring of beach cleaning resulted in dirty beaches.

The Department agreed (July 2012) that the reports of inspections had not been received and the inspections were carried out randomly.

2.1.9.3   *Regulation of beach shacks*

Beach shacks are temporary structures which are allowed to be raised on the beaches during October till May of the following year. Shacks provide tourists with food, relaxation on beach decks. They are allotted every year in accordance with the directives issued by the High Court of Bombay at Goa and with the approval of the GCZMA. The shack policy is formulated every year at the onset of the tourism season. The selection is done by draw of lots from the eligible applicants where 90 *per cent* of the shacks are allotted to applicants having past experience. The allottees have to obtain further clearances from other departments such as Excise, Health, Food & Drugs

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[4] Two times for N-1 and N-2 stretches and five times for N-3, N-4 stretches

Administration, Electricity and Fire Services. The yearly allotments of shacks during the last five years were as follows:

Table 3: Allotment of Shacks

Year	No. of Shacks allotted		Total No. of Shacks allotted
	North Goa	South Goa	
2007-08	168	90	258
2008-09	199	106	305
2009-10	240	106	346
2010-11	234	106	340
2011-12	230	106	336

(Source: Beach shack policies for the period 2007-11)

Audit observed that in the year 2007-08 the GCZMA and the Department carried out a joint inspection of the site and approved allotment of 148 shacks in North Goa and 83 shacks in South Goa. However, the Department allotted 168 shacks in North Goa and 90 shacks in South Goa. Thus, 27 shacks in 2007-08 were allotted in excess in violation of the directives. The GCZMA recommended three pairs of deck beds and three umbrellas. However, the shack policy of Department allowed five pairs of deck beds with five umbrellas in the year 2007-08. In the years 2008-09, 2009-10 and 2010-11, the deck beds allowed rose to 10 pairs with 10 umbrellas except in Calangute and Baga where five pairs of deck beds and five umbrellas were permitted. The excess allowance of deck beds and umbrellas was in violation of recommendations of GCZMA. This resulted in restricting open space on the beaches for recreational activities of tourists.

As no permanent structures are allowed in the beaches as per the Coastal Zone Regulations these shacks were to be dismantled at the end of the season. It was however noticed that many shacks were operating even after the season ended. These violations were not checked by the Department and no action was taken against the shack owners.

The inspection of the shacks at five[5] beaches carried out by Health Officers in February 2011 revealed that out of 31 shacks, 13 shack licensees did not obtain 'No Objection Certificate' (NOC) from the Health Department, eatables were kept in the open, drinking water was provided without filtration, garbage was not collected on daily basis and sewerage was released into the sand causing environmental pollution on the beaches. There was no monitoring of garbage disposals by shack owners, although beach shack policy had provisions for maintenance of log book by the licensee to record date and time of collection of garbage. GCZMA noticed violations of coastal zone regulations by 433 shacks during the period 2007-11.The

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[5]Mobor, Cavelossim, Zalor, Fatarde and Varca

Department however blacklisted only four shack owners separately, which was independent of violations noticed by GCZMA.

The Department while admitting lack of adequate manpower, monitoring and regulatory mechanism, accepted (September 2012) that there were irregularities and violations in operations of shacks. It further stated that a Tourist Police cum Enforcement Cell of around 400 policemen would be proposed for monitoring activities of shacks and other illegalities on beaches. Two flying squads would be formed to detect and act swiftly against illegal operations in beaches.

The Principal Secretary, Tourism accepted the facts during exit conference. The Director of Tourism further informed that regulation of beach shacks had started. The beaches would be cleaned with mechanical cleaners so that environmental impact on beaches would be within the tolerable limits.

2.1.9.4 Management of properties

The Department acquired 8,52,825.60 sqm area of land through purchase and transfer from other departments during the period 1968 to 2010 for the purposes of development of parking grounds, bus stands, public amenities, wayside facilities, recreational facilities, environmental parks, tourist cottages, tourist hostels *etc*. Besides, it leased out 30 shops on the Colva beach. Scrutiny of records of land acquisition, its management and management of leased shops revealed the following.

Delay in mutation and encroachment of land

The mutation process of 1,76,873.21 sqm area of land was not completed from the date of taking over possession during the period 1971 to 2010 due to delay on the part of the Revenue department in identifying plots with corresponding survey numbers and non-traceable documents. The land area measuring 98,616 sqm valued at ₹ 27.35 lakh was encroached upon and illegal structures were constructed on the land under the Department's possession.

The Director stated that notices have been served (July 2012) for eviction from the land measuring 61,116 sqm, issue of eviction notice was pending in respect of 20,900 sqm land and in respect of 16,600 sqm land, the party had proved tenant rights hence mutation is held up.

Thus, the Department failed to take adequate measures to secure the land in its possession.

Non-development of tourist facilities on properties transferred to GTDC

The Government of Goa transferred five properties of the Department to GTDC during the period 2003 to 2008. The status of development of properties as on July 2012 was as under:

Table 4: Status of land/properties transferred to GTDC

Location	Property	Status
Selaulim	Rest House and Cottages	Property is not utilised or rented out.
Kesarval	Restaurant	Abandoned for more than eight years.
Pomburpa	Cafetaria	Development expenditure of ₹ 87.67 lakh (2010) incurred by GTDC was unfruitful as the property was not utilised or rented out (July 2012).
Baga	Land	Properties faced problems like encroachment, unauthorised construction, trespassing and illegal collection of parking fees.
Vagator	Land and Restaurant	

On being pointed out by audit, GTDC demolished seven illegal structures in Baga and appointed a contractor to collect parking fees pending completion of tender procedure which was initiated (July 2012). A proposal was also moved to the Government for utilisation of property at Vagator in July 2012.

Leasing of shops

Thirty shops belonging to the Department were leased out at Colva Tourist complex since the year 1981.Three shops[6] were selling alcoholic drinks without license from State Excise authorities. The licenses of these stalls were terminated in the year 2010, however, even after lapse of two years from termination of the lease agreement the possession of the shops were not taken over by the Department. During inspections (December 2010 and April 2011) by the Departmental authorities, another stall licensee was found operating illegal gambling business on two occasions.

Inspections (December 2010) by the Department further revealed that the licensees were running businesses of readymade garments, gambling, bar and restaurant and using the shop as a kitchen. Though the Department was aware that the shops were carrying out illegal businesses and not providing facilities to tourists, yet it did not take action as per the agreement to stop irregular activities from its properties.

**2.1.10   Adequacy of measures to ensure safety of the tourists**

GoI adopted the Code of Conduct for Safe and Honourable Tourism in July 2010. The guidelines focused on the need to promote a safe experience to tourists. Hence, all parties connected with Tourism such as hotels, rest houses were expected to sign the Code of Conduct for safe and honourable tourism, prevention of sex tourism and prostitution and use of drugs and

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[6] Stall No. 6, 14 and 19

social and cultural intolerance. However, records of rising crimes especially against children and women on the contrary, were an indication of ineffectiveness of crime control mechanisms in place to implement the spirit of the code.

It was seen that violent crimes against children and women like rape, kidnapping and abduction, immoral trafficking, sexual harassment and molestation showed an increasing trend in Goa during the period 2007 to 2009[7]. During the years 2010 and 2011 the crimes marginally decreased. However, during the same period *i.e.*, from 2007 to 2011, the crime against tourists had shown a continuous increasing trend except in the year 2011. Graphical representation of statistics of crime reported against the tourist is depicted below:

Chart 1: Number of crimes against tourist
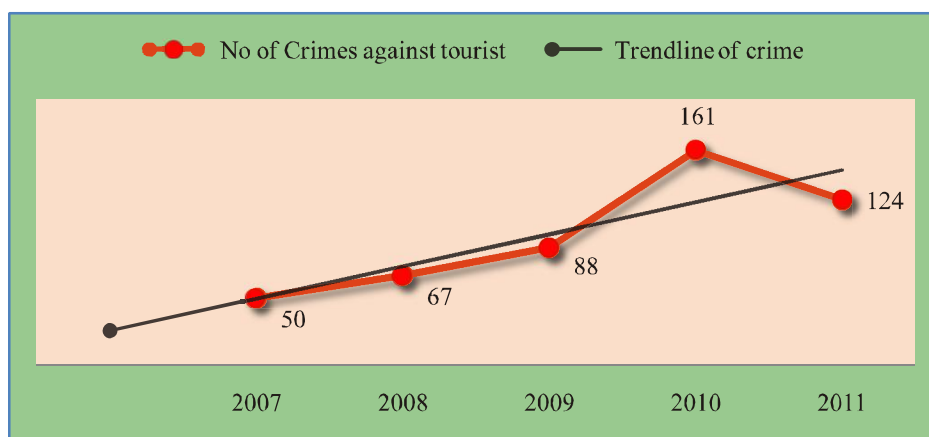
(Source: Information Published by Goa Police)

2.1.10.1 Formation of Tourist Security Force

Ministry of Tourism, GoI issued (March 2008) guidelines on safety and security of tourist which *inter alia* included formation of Tourist Security Force (TSF). The Department prepared a comprehensive scheme in September 2008 for formation of TSF in the State which aimed at ensuring safety and security of tourists, provide information network to facilitate smooth visit of tourists, liaison with the Police Department, Health Department and prevent illegal hawkers and traders. Personnel for the force were to be drawn from ex-servicemen and would comprise one Chief Tourist Executive and six Taluka Tourist Officers and 57 Tourist Wardens.

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[7] Crime statistics published in Annual reports of National Crime Records Bureau, Ministry of Home Affairs, Government of India

Audit observed that the TSF was formed in the State only in September 2011. The force was understaffed with only 24 Tourist Wardens, which adversely affected patrolling and safety of tourists. Complaints received from shack owners, village panchayats and citizens could not be attended to due to shortage of manpower.

The Department stated that the response from ex-servicemen was not enough and all the candidates shortlisted for interview were selected.

Functioning of the force

Audit observed that the wardens were deployed only on beaches and inland locations were ignored. Basic requirements of a Force like uniforms and caps were not provided due to which there was no unique identity to the personnel of TSF, enabling tourists to distinguish/identify them. There was lack of proper monitoring system to observe the functioning of Force and incidences handled by the wardens.

The Department received 14 four wheelers and seven motorcycles in donation from World Travel and Tourism Council in May 2010 as a goodwill gesture to facilitate smooth functioning of the Force. Out of the 14 vehicles, only three vehicles were deployed on the beaches for patrolling and remaining 11 vehicles were lying idle.

The Department admitted that the force had not been given any distinct uniform and the vehicles and drivers were being deployed in rotation due to limited fuel availability.

During exit conference, the Principal Secretary, Tourism informed that the Indian Reserve Battalion Police Force had been deployed to ensure the safety and security of tourists and that an additional strength of 500 Policemen would be deployed after creation of such posts.

2.1.10.2   Appointment and functioning of beach safety management agency

Tourists in Goa are drawn to the beaches. Recreational activities such as swimming and water sports are fraught with the risk of drowning. Death by drowning at beaches occurs due to lack of knowledge of sea and tide conditions, disregard of warnings and inability to cope, once in difficulty. To overcome the risks faced by the tourists, M/s Drishti Adventure Sports Pvt. Ltd. was appointed by the Department in June 2008 to provide Beach Safety Management Services. The initial agreement for coverage of 12 beaches was extended to 27 beaches in September 2009. The agency was also awarded contract for Night Safety Patrol. The total payments made to the agency during 2008-12 was ₹ 72.47 crore. The incidences of drowning touched its peak in year 2007 with 91 deaths. However, after the appointment of the agency, the numbers of deaths by drowning came down from 72 in 2008 to 22 in 2011.

2.1.11   Effectiveness of tourism promotional measures

The Department markets Goa as a tourist destination through the print media, electronic media, road shows, travel market *etc.* The Department also participates at the international fora such as WTM-London, ITB-Berlin and MITT-Russia. Expenditure incurred on promotional events during 2007-12 was as follows:

Table 5: Expenditure on promotional measures

(₹ in crore)

Year	Print Media	Electronic Media	Other modes	Road shows	ITM
2007-08	1.61	6.01	0.31	0	1.87
2008-09	4.35	4.51	0.36	0	2.21
2009-10	2.17	5.62	0.43	3.43	1.99
2010-11	3.86	1.97	1.13	2.39	2.71
2011-12	7.28	3.54	1.99	2.44	2.40
Total	**19.27**	**21.65**	**4.22**	**8.26**	**11.18**

(Source: Tourism Department)

2.1.11.1   *Empanelment of advertising agencies*

The Department in June 2010 called for empanelment of agencies for handling international events and road-shows. The criteria specified handling five international road-shows in the last six years. A total of 29 agencies responded for category 'A' agency[8] and 14 were short-listed. Audit observed that out of the eight agencies finally selected for empanelment, three did not fulfill the requirement of experience in international road-shows. Further, three other short-listed agencies though fulfilling all the criteria, were rejected after presentation.

2.1.11.2   *Award of contract for promotional events*

The agencies were asked to quote against a predetermined budgeted figure for any promotional event. However, the budget was not backed by detailed working of expenses. The requests for proposals were not always issued to all the empanelled agencies. Moreover, the Department did not select the agencies based on the design, concept brochures *etc.* No technical screening to ensure quality of presentation was conducted. The lowest quoted cost was the only criteria for issue of work orders. In 27 test-checked cases, the lowest quoted cost was only marginally lower than the budgeted cost of the event.

The Department extended 80 *per cent* of the amount of work order as advance to successful agencies. The deliverables were not quantified,

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[8] Category 'A' agencies were selected to undertake bigger campaigns like organising overseas road-shows, participating in travel marts and national and international media coverage

documented and drawn. Performance criteria remained absent leading to no action capable of being taken in case of failure.

During exit conference the Director of Tourism stated that quality of presentations would be ensured along with cost-effectiveness and an agency would be appointed to oversee the brand-building exercise.

2.1.11.3   *Road-shows and International Travel Marts*

During the period 2007-12, Department participated in 38 ITMs and organised 15 road-shows[9] worldwide. The expenditure on account of hiring services of agencies for ITMs and road-shows during the period was ₹ 19.47 crore as indicated in Table 5. Audit observed that no visitor books were maintained at ITM and Domestic Travel Marts so as to ascertain the number of visitors, their recommendations and to measure the impact of the Goa stall on the global and domestic audience. All the reports submitted by the agencies invariably included a few photographs but did not discuss how many persons/agencies were contacted and how many attended. No MoUs were signed during any of these road-shows or ITMs. Website[10] of WTM, London, gave exclusive online access all the year to exhibiting companies to cater to WTM audience. However, after incurring an expenditure of ₹ 2.77 crore during 2007-12 for participation in the WTM-London, the Department did not avail of the opportunity to advertise Goa via website to the WTM audience.

GTDC conducted 14 road-shows incurring an expenditure of ₹ 4 crore between August 2010 to November 2011. The Event Management Companies (EMC) were expected to contact 150 major tour operators/travel planners for participation in the events and showcase Goa as a brand. The EMCs managed to ensure a mere 25 to 64 participants[11].The road-shows conducted by GTDC also did not result in any trade contract, business agreement or MoUs with any of major tour operators.

The Department and GTDC also did not rope in private participation in the road-shows. Participation in road shows by private players from Goa's hospitality, tour and travel, art and culture sectors would have facilitated valuable exchange of knowledge and strengthening of tourism products.

The Department admitted (June 2012) that private participation in road-shows was lacking.

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[9] Promotional event in foreign country where presentation is made before travel agents and tour operators in that city/country
[10] www.wtmlondon.com
[11] Participants include private tour operators, travel agents and journalists/photographers

2.1.11.4   *Poor planning for electronic media*

The Department conducted an electronic campaign through M/s AMO Communications Pvt. Ltd. (one of the empanelled agencies) on Zee TV and BBC in September-October 2007, November 2009 and August 2010. It was observed that the Department did not formulate its own media plan. Several deciding factors for the rates of commercials on the television *i.e.* time of the day, original broadcast, repeat broadcast, status of broadcast were not considered and the lump sum quotes were requested from the empanelled agencies and accepted. The rates charged by the agency in respect of Zee TV were compared to rates offered by the DAVP[12] during the similar period and it was observed that for similar campaign where Central Government Departments would have spent only ₹ 1.18 crore, the Department ended up spending ₹ 6.81crore. The campaign of the Department was concentrated in few months of the year. The entire budget meant for the electronic campaign during the year was spent in one campaign (Zee TV and BBC) which was proposed by the agency (M/s AMO Communications Pvt. Ltd.).

2.1.11.5   *Advertisement in multimedia*

M/s Vinsan Graphics (one of the empanelled agencies) proposed in October 2010 a multimedia campaign for a total cost of ₹ 1.80 crore. The campaign centred on a micro site showcasing Goa. The micro site www.experience-goa.com was designed and used for three months. The website lacked sufficient information. There were only four tour operators listed in it and no list of private or GTDC hotels was displayed. The absence of a visitor's counter left the Department unable to assess the number of visitors to the site.

Audit observed that as a part of the multimedia campaign, the agency claimed ₹ 25 lakh (@ ₹ 8.33 per message) for sending three lakh text messages. However, the Department was totally unaware of the message recipients. Further, the agency as a part of multimedia campaign, also advertised through a TV channel, Times Now, at rates higher than that offered by DAVP leading to an extra expenditure ₹ 44.37 lakh[13].

2.1.11.6   *Website of the Department*

The Department's website did not contain updated information on hotels, packages *etc*. There was no location finder, route map. Unlike the Tourism website of other States such as Kerala and Gujarat, the website of Goa

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[12]Directorate of Advertising and Visual Publicity (DAVP) is office of the Government of India for overseeing campaigns and release of advertisements of Government of India

[13] Expenditure via DAVP route = ₹ 1.22 lakh; Actual expenditure = ₹ 45.59 lakh

Tourism was deficient in content and lackluster. The website did not serve as a focal information point for the operators in the tourism sector such as travel agents, tour operators, hotels, chartered flight operators *etc.*

The Department admitted (June 2012) that the information was not updated and agreed that photographs and films would be uploaded. During exit conference, the Principal Secretary, Tourism also accepted that information on Department's website was deficient.

2.1.11.7 Duplication of advertising strategy in new media

The Department had been publishing a monthly e-newsletter since November 2011 on a separate website www.goatourismdept.com through M/s Goldmine Advertising Ltd. (one of the empanelled agencies). The idea behind publishing the newsletter was to address a targeted audience keeping them abreast of the happenings in Goa and the activities and promotions conducted by the Goa tourism. The targeted audience comprised tour agents, tour operators, officials of tourism industry and various stakeholders. The proposed amount of the project was ₹ 24 lakh.

Audit observed that the newsletter included an address by the Director, news, one recipe *etc.*, in eight pages. The newsletter was not available for subscription to any visitor of the site which meant it was only available for that set of audience which was selected by the agency. The Department's website did not provide any link to subscribe to the newsletter. Audit observed that the Department's new website was also being developed around the same period when the newsletter website was developed. The Department could have considered launching from same website which would have saved an expenditure of ₹ 24 lakh and avoided duplication of efforts.

2.1.11.8 Advertisements through publications of limited readership

The Department spent ₹ 62.01 lakh during the period 2007-12 on 446 advertisements in publications of small and limited readership. On scrutiny of 40 advertisements it was observed that these publications were not registered with Registrar of Newspapers in India and did not comply with the requirements of Press and Registration of Books Act, 1867. Nature of the publications was that of house magazines, house journals and souvenirs *etc.* These publications were patronised by religious bodies, caste based organisations, linguistic and cultural bodies, parents teachers associations, residents associations, trusts, clubs, political parties and individuals.

Test-checked cases revealed that the publishers approached the Department with their respective proposals. The Department by using its discretion arbitrarily chose the proposals to be approved. Most of the approvals were granted either by the Minister of Tourism directly or through Officer on Special Duty or by the Director of Tourism.

2.1.11.9 Ineffective business tie-up with other State Tourism Development Corporations

In order to create new revenue channels, the GTDC decided in April 2010 to tie-up with other State Tourism Development Corporations of India. GTDC entered into six MoUs with other Tourism Development Corporations. The key features of the MoUs was mutual marketing of hotel accommodation, providing marketing space mutually at respective sale counters, providing of hyperlinks in respective websites *etc*.

Audit observed that none of the commitments and activities was operationalised during the period 2010-12. The websites of other Corporations did not advertise any links of GTDC and vice-versa. Free marketing counters and dedicated user-ID and passwords were not provided resulting in non-achievement of the intended benefits.

The GTDC admitted that difficulties were experienced due to non-adoption of internet booking technology, technology assimilation and constant change of management in the Corporations.

Thus, the Department's marketing efforts lacked defined strategy to promote Goa as a tourist destination. The Department also failed to measure the impact of its promotional efforts.

2.1.12 Promotion of other tourism products

The Ministry of Tourism, GoI had identified several tourism products which have the potential to attract more tourists. Among these are Heritage Tourism, Wellness, Wildlife, Eco-Tourism, Medical Tourism *etc*. Audit scrutinised the efforts made by the Department to broad base the basket of tourism products. The findings are indicated in the succeeding paragraphs.

2.1.12.1 Festival tourism

The Goa Carnival is an essential part of the Portuguese heritage of the State symbolizing fun and gaiety. The Department's role has been limited to financing the local organisations who participate in the Carnival and Shigmo festivals held during February/March every year in various towns.

During 2007-12 the Department spent ₹ 7.05 crore for conducting Carnival and Shigmo festivals. The Government sponsored the entire festival expenditure barring the year 2010. The performances of local festival committees were dependent on Government funding. In 2010, the GTDC roped in an EMC to showcase the Carnival which netted the Corporation ₹ 45 lakh in sponsorship.

The employment of EMCs and aggressive marketing of Goa's Carnival and Shigmo festivals in a professional and sustainable manner would have added to Goa's tourist potential.

During exit conference, the Principal Secretary, Tourism stated that events like Carnival and Shigmo festivals were well advertised this year and the response was exceptional.

2.1.12.2   Health tourism

Health Tourism has a strong portfolio in India due to the presence of traditional alternative systems of healing and medicine such as Ayurveda, Siddha and Unani.

TMP identified health tourism to be capitalised by opening health parlours similar to those in Kerala. While FTA in Ayurveda centres has crossed 34,000 per year (2010) in Kerala and Chhattisgarh is promoted as the herbal State, Goa has been unable to make inroads in this sector. The Department had no statistics about the number of Ayurveda centres functioning in the State. The Director, however, stated (August 2012) that there were four Ayurveda centres in operation in the State by five star hotels. Ayurvedic spas and treatment centres abound in the State and are very popular among tourists. The lack of information with the Department of these mushrooming health and massage parlours leaves these centres unregulated. The Director further stated (September 2012) that the Tourist Trade Act is being suitably amended under which registration will be made compulsory for super specialty hospitals/private dental hospitals, ayurveda centres and massage parlours and the amendment will be properly drafted to avoid illegal activities in spas/parlours.

The TMP proposed (February 2001) to set up a health tourism centre near Salaulim in Sanguem taluka and near Anjunem in Sattari taluka. The activity mix in the centres proposed were health resort on six hectare land having 200 rooms, botanical garden-cum-nature park on 100 hectare land, tourist information centre of 500 sqm area and world class hospital of 300 bed capacity. The work of development of botanical garden cum eco-recreational park at Salaulim taken up by the Goa Forest Development Corporation in the year 2003-04 at an estimated cost of ₹ 15.47 crore was not completed as of February 2013 for want of sufficient funds. The total expenditure incurred so far had been ₹ 4.85 crore. Further, the GTDC had not utilised (October 2012) the rest house and five cottages at Salaulim valuing ₹ 1.10 crore.

2.1.12.3   Monsoon tourism

Attracting tourists in the monsoon season, which was considered to be the lean season, was one of the objectives identified in the TMP for sustainable development of tourism in the State. The months of June to August are periods of low tourist activity. The focus of tourism in Goa being beach tourism, monsoon season attracts far less tourists.

Kerala tourism promotes monsoon tourism by creating different packages. The tourist arrivals during the three month period of June to August for the last six years in Goa and Kerala were as below:

Table 6: Tourist arrival during monsoon period (June, July and August)

Year	Domestic		Foreign	
	Goa	**Kerala**	**Goa**	**Kerala**
2006	287224	1457778	10998	68608
2007	234862	1516314	12069	79024
2008	308698	1741206	12305	97908
2009	232265	1707444	10536	87492
2010	244041	1867227	11608	110391
2011	249038	NA	11887	NA

(Source: Tourist statistics of Goa 2008 and 2012 and Kerala tourism statistics 2010)

Through innovative promotion of monsoon tourism, FTA in Kerala during the monsoon period had increased by 60 *per cent* and DTA increased by 28 *per cent* over the five year period (2006-10). The rate of growth of FTA and DTA during monsoon period over the same five year period was only 5 *per cent* and (-) 15 *per cent* in Goa. Kerala and Goa, both located on the Arabian Sea coast, share common characteristics. Apparently, the Tourism Department in Goa had not been able to capitalise on monsoon tourism unlike Kerala.

2.1.12.4   *Cruise tourism*

Cruise tourism is one of the most important facets of tourism in the State. A large number of national and international tourists enjoy the river cruise organised from the Santa Monica Jetty in Mandovi river at Panaji. The number of tourists who used river cruise and other boating facilities at Santa Monica Jetty during the last five years was as under:

Table 7: Cruise Tourism

(Figures in numbers)

Activities	2007-08	2008-09	2009-10	2010-11	2011-12
River Cruise (One Hour)	96118	56078	81003	111220	131483
River Cruise (more than one hour)	11211	9112	10889	6048	7591
Special cruises	2891	6311	6842	5234	5881
Total	**110220**	**71501**	**98734**	**122502**	**144955**

(Source: provided by GTDC)

Audit observed that the Mandovi river is congested with a number of cruise boats, casinos and floating restaurants and the barges operating through the river. Besides, a number of fishing boats are also anchored in the river on the bank opposite to Santa Monica Jetty. Considering the increase in the tourists

in river cruise, the Government proposed to start river cruise activities in other parts of the State in the 11th five year plan. The Government made a budgetary provision of ₹ 2 crore during 2011-12 for de-silting of river Sal. As the work of de-silting could not be completed by the Captain of Ports, the amount was surrendered and no fresh provision was made in budget 2012-13.

2.1.12.5   Water sports operators

The Department issues registration certificates under GRTT Act to the water sports operators subject to furnishing of documents regarding insurance, NOCs from Captain of Ports, Fisheries Department, Directorate of Health Services, license to operate boat and printed tariff card. The registration certificate is valid for one year from the date of issue and is renewable before its expiry on payment of fees.

Audit observed that the Department issued registration certificates without obtaining copies of the printed tariff. Some operators renewed their registration certificates after one to three years of expiry of the validity period of the certificate by paying arrears. The operators carried out the business in the intervening period without valid registration with the Department. While 251 operators were registered with the Captain of Ports, those registered with the Department were only 148 during the year 2011-12.

The operators, who were operating without valid registration of the Department, were not detected and acted upon. This also indicated the lack of co-ordination between the Department and Captain of Ports.

2.1.13   Sustainable tourism and environmental impact

Tourist activities must be managed in a responsible manner. Otherwise, it can have socio-cultural consequences and negative environmental impact on soil, water and air due to solid waste accumulation, contamination of soil and water due to absorption of sewerage water, lowering of ground water table, degradation of air quality due to vehicular/speed boats emissions *etc*.

Audit attempted to ascertain the impact of tourism on the environment on account of the inadequate management of tourist traffic, creation of infrastructure facilities for tourism and some external factors such as grounding of a ship, mining and tar ball deposits on beaches. The audit findings are discussed in the succeeding paragraphs.

2.1.13.1   Lack of sewerage networks in coastal belt

The North Goa coastal belt covers beaches of Baga, Candolim, Calangute and Sinquerim. As a focal tourist centre, a large number of hotels and restaurants are concentrated in this coastal belt. There is no underground sewage system or any waste water disposal arrangements in the area. Due to

sandy soil and high water table in the beach areas the effluent of septic tanks is not adequately absorbed in the soak pits and overflows to open spaces.

The Calangute and Baga beaches of North Goa coastal belt was identified as the first priority project for implementation of the sanitation projects. Accordingly, the waste water collection and treatment system for Mapusa town and North Goa coastal belt of Calangute and Baga area was taken up (September 2007) with the loan assistance of ₹ 268.80 crore from Japan International Co-operation Agency (JICA). The project aimed to cater a population of 30,358 with the sewerage treatment plant capacity of 5.60 million litre per day. Though the agreement with JICA for loan assistance was executed in September 2007 and the administrative approval for the project was accorded by the Government in March 2008, the works for sewer network were awarded for ₹ 152.79 crore only in September 2012. The sewer treatment plant was not tendered as of October 2012.

2.1.13.2   *Lack of solid waste management in coastal belt*

In view of numerous petitions filed by individuals regarding solid waste disposal sites, the High Court of Bombay at Goa, on 18 April 2012 passed an order directing the Goa State Pollution Control Board (GSPCB) to conduct inspection of all Municipal Councils and 26 coastal Village Panchayats (VP). Accordingly, the GSPCB conducted inspections in May 2012 and submitted its report to the High Court. According to the report, two VPs of coastal belt of North Goa *viz.,* Candolim and Calangute-Baga having three beaches together had a population of 18,033 with an estimated waste generation capacity of 6.3 tonnes per day.

In order to cater to a large number of tourists visiting these three beaches, 426 hotels and restaurants and 1,114 other commercial establishments were operating within the limits of two VPs. Due to the concentration of tourist activities, these two VPs together were generating approximately 97 tonnes[14] of solid waste per day (80 tonnes in Calangute-Baga, 17 tonnes in Candolim). The waste, thus, generated by tourism related establishments in these two VPs worked out to 90.7 tonnes per day (97 tonnes – 6.3 tonnes) which was much higher than the waste generated by the most populated municipal towns (Margao, Panaji, Vasco) in the State.

It was further observed that due to inadequate and non-operative composting units, the Calangute-Baga VP dumped un-segregated waste at the garbage disposal site in the adjoining Saligao plateau which is the catchment area of Salmona spring in Saligao. The GSPCB conducted (July 2009) an analysis of the water in Salmona spring and found the spring water to be contaminated and unsuitable for drinking. The Water Resources Department (WRD) also

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[14] Includes waste generated by the local population, visiting tourists, hotels and other establishments

confirmed (September 2009) that dumping of garbage in the catchment area of the spring resulted in contamination along the drainage line to the location where the spring was located. Further, water testing by WRD hinted at the presence of biodegradable organic and oxidisable inorganic matters.

As most of the VPs in the State have limited staff and resources, the Government should have taken immediate steps to mitigate the situation.

2.1.13.3 *Diminishing ground water level in coastal villages*

The provision of more infrastructure like hotels, restaurants *etc.,* to cater to large number of tourist arrivals is fraught with the danger of drawal of excessive ground water by these establishments. It was observed from the records of the PWD that water consumption of the hotels situated in some of the villages of North Goa beaches showed decreasing trend despite increase in the number of tourists, as indicated below:

Table 8: Water Consumption in Hotels

Villages	Water consumption in cubic meters by hotels/motels		Water consumption in cubic meters by domestic and other users	
	2006	2011	2006	2011
Calangute	26002	20588	207087	325461
Candolim	77281	25365	417283	448270
Anjuna	11572	9144	56863	765137
Baga	5085	5769	176316	213149
Total	**119940**	**60866**	**857549**	**1752017**

(Source: Public Works Department)

The decrease in the consumption of water despite increase in tourists was an indication that these hotels were drawing water from sources other than PWD such as, open wells, tube wells *etc.* A further scrutiny of the ground water table/data generated by the WRD in 11 coastal area villages revealed that ground water level in Calangute village had gone down to 8.97 meter below ground level in May 2009 from the level of 8.30 meter recorded in May 2008 and in Anjuna village to 7.74 meter in May 2012 from 6.69 meter recorded in May 2010. In respect of other nine villages, the change of ground water level was within the range of -0.21 meter to +0.17 meter.

The Chief Engineer, WRD attributed (August 2012) the depletion of ground water table in Calangute and Anjuna to the tourism infrastructure development. He further stated that the ground water in coastal areas had been stressed. In view of the pressure on ground water, some areas in the coastal belt had been declared as Scheduled Areas under Section 4 of the Ground Water Regulation Act, 2002 in November 2007 itself, and in April 2012, the entire State had been declared as Scheduled Area. The declaration of scheduled area would result in restrictions on digging new wells and drawing and transporting water from the existing wells. The WRD, however,

did not have any statistics of the number of wells dug and number of violations *etc*.

2.1.13.4   *Poor monitoring by regulatory agencies*

Under the provisions of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, the State Directorate of Food and Drug Administration (DFDA) conducts annual food safety inspection of the registered establishments. Audit observed that the State DFDA failed to conduct annual inspections and there was shortfall to the extent of 85 *per cent*.

Despite requirement of mandatory clearances from GSPCB, only 432 hotels, resorts and spas were registered with the GSPCB. The remaining 2,219 hotels were functioning without obtaining required permissions from the GSPCB. The GSPCB stated (January 2013) that the enforcement was hampered due to shortage of staff.

2.1.13.5   *Violations of coastal regulation zones*

The GoI under the provisions of Environment Protection Act, 1986 issued (February 1991) Coastal Regulation Zone (CRZ) notification imposing restrictions on industries, operations and processes within the coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action up to 500 meters from the High Tide Line (HTL) and the land between the Low Tide Line (LTL) and the HTL. During 2007-12, total 1,172 coastal zone violations were reported, of which, the GCZMA removed/demolished the encroachments in 105 cases and in six cases, action was pending due to court stay orders. The remaining 1,111 violations related to repairs and reconstruction works carried out by the traditional coastal community without the prior approval of GCZMA.

The High Court of Bombay at Goa issued (March 2008) directions to identify the open plots in CRZ-III zone which were available for construction of hotels and to frame appropriate policy/regulation for utilisation thereof before they were being allowed to be utilised for such construction activities. Audit observed that the work of identifying and delineating the open vacant plots in CRZ-III zone along the coastline of the State was already entrusted to M/s Remote Sensing Instruments (RSI), Hyderabad in March 2007 by GCZMA at a cost of ₹ 1.92 crore. RSI carried out the task of identification of structures existing as on 1991 when the CRZ notification came into force and the structures that came up subsequently between 1991 and 2006. RSI submitted its report in April 2011. In the meanwhile, the Ministry of Environment and Forests (MoEF), GoI issued the new CRZ notification, 2011 in January 2011, defining the requirements and guidelines for development of beach resorts or hotels in the designated areas of CRZ-III and CRZ-II for occupation of tourists or visitors, with prior approval of the Ministry. However, even after a time lapse of two years from the issue of the

new notification and an expenditure of ₹ 1.92 crore incurred on the remote survey, the GCZMA has not framed any policy/regulation for utilisation of CRZ-III zones along the coastline of the State of Goa.

2.1.13.6   Non-conduct of environment impact assessment

Environmental Impact Assessment (EIA) procedures are designed to identify environmental problems which may be caused by a development project and determine the magnitude of change in the environment. With reference to the tourism projects, the TMP of February 2001 recommended that environmental analysis had to be integrated with all stages of the tourism project life cycle to facilitate incorporation of the findings into selection of sites, designs and implementation plans. Further, in most cases, an EIA should form part of the overall feasibility study for a project.

Audit observed that 10 tourism infrastructure projects *(refer Appendix 2.1)* sanctioned by the Department with CFA at a total cost of ₹ 238 crore involving construction of jettys, development of tourism circuits, recreational facilities, construction of viewing towers *etc.*, did not have an integrated EIA. As the tourism projects were aimed at development of hinterland, EIA was essential as the Western Ghats is ecologically sensitive and development of tourism in these areas should have taken this factor into account. The Director admitted that no EIAs were made by the Department.

Further, despite the fact that pressure on river Mandovi was increasing due to cruise operations, casinos, floating restaurants and barges, the Department did not take any action to conduct any study to ascertain the carrying capacity of the river for sustaining such operations.

2.1.13.7   Lack of community participation in planning for projects

One of the policy proposals envisaged in Goa tourism policy, 2001 was to ensure that the local community was involved and the benefits of tourism accrue to them. Audit however, observed that the Department did not ensure community participation in the process of planning of various projects undertaken by them. Three such cases are highlighted below:

■ The Department initiated a project (February 2011) for establishment of PGA[15] standard golf course and allied tourism and hospitality related activities through a consortium or as an individual entity. The project involved acquisition of 300 acres of land at Tiracol village in Pernem Taluka and an investment of ₹ 707 crore. The land purchased by the selected company (M/s Leading Hotels Pvt. Ltd.) in 2007 for the golf course was a tenanted property and the owner of the land

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[15] Professional Golfers' Association

sold it to the company without taking permission of the tenants. Consequently, the tenants opposed setting up of golf course fearing that the land under cultivation by them would be lost and the VP also passed a resolution (April 2009) opposing the development of golf course.

- The initial location at Bandora village, Ponda selected for setting up of State Institute of Hotel Management and Catering Technology (SIHMCT) did not materialise due to objection by VP and agitation by local people. The Government decided (April 2011) to shift the institute to Farmagudi plateau on the land belonging to Goa Engineering College. The change in the location was necessitated on account of the concerns raised by surrounding residents about the institute preparing non-vegetarian food.

- The work on extension of jetty in Mandovi river under the IIDHT*(refer Sl. No. 1 of Appendix 2.1)*could not be started due to agitation by the cruise operators due to fear of losing business owing to change in location to the opposite side of the river where business was minimal.

The Director stated (June 2012) that since the company constructing the golf course had made huge investment into the project, ensuring participation of local community as well as EIA and mandatory public hearings was the responsibility of the company. The Director did not furnish any specific replies in the other two cases.

The reply is not acceptable as being the nodal agency for the tourism sector development in the State, the Department was accountable for addressing the citizens' concerns.

2.1.13.8   *Environmental degradation caused by mining*

Harvalem in North Goa with its waterfall, caves, ancient temple and scenic view attracts a number of pilgrims and tourists both domestic and foreign. Audit observed that the local residents and villagers represented (April 2010 and February 2011) to the Department that due to rigorous iron ore mining activity in the vicinity, the Harvalem waterfall was running thin day by day besides causing noise and dust pollution round the clock. As a result, few tourists visit the waterfall and the place was losing its identity as a religious and tourist spot.

Audit further observed that the representations of the locals and villagers were simply forwarded, without highlighting the seriousness of the matter, to the Director of Mines (May 2010) and the Director of Mines and Geology (February 2011).

2.1.13.9 Degradation of beaches due to tar ball deposits

The Goa coast is always congested with many merchant ships coming to Mormugoa Port, vessels of Indian Navy, Coast Guard and the barges operating in the rivers and sea. Tar ball deposits are seen on beaches every year after the high tide during the beginning of the monsoon season. The illegal pumping of polluted oily water from the segregated tank and bilges of the ships into the sea, and pumping of polluted water by off shore casinos are the cause for the tar deposits.

Tar ball deposits were noticed in a number of beaches between July 2004 and December 2008. In 2006, the Department removed 20 truckloads of tar balls from the Cavelossim-Cansaulim beaches and buried them near the beach. An exceptionally large quantity of tar ball deposits were also noticed in August 2010 on various beaches of South Goa district which were removed by the fire and emergency services personnel, local panchayats and the beach cleaning contractors.

The State Disaster Management Authority (SDMA) requested (May 2011) the Department of Science, Technology and Environment, Government of Goa to ascertain the root cause of the tar ball deposits and the GSPCB also collected samples for analysis. Reports from both the agencies were still awaited.

Tar ball deposits affect beach tourism. The inability of the State to determine the root cause of tar ball deposits for so long and book the offenders was a matter of concern.

2.1.13.10 Environmental impact of prolonged grounding of a ship

A carrier ship named "River Princess" chartered by M/s Salgaocar Mining Industries Ltd., Goa got stranded at Sinquerim beach in June 2000. The stranded vessel was considered an environmental hazard affecting the beach stretch from Sinquerim to Calangute (Approx 6 kms). Audit scrutiny of the handling of the issue of removal/breaking of the ship by the Department and the environmental impact on account of prolonged grounding of the ship revealed the following:

- Though the ship was stranded since June 2000, yet it took nine years for the SDMA to declare the grounded ship as a State disaster (March 2009);

- Though the ship was forfeited by the State Government in January 2002, the Department could not arrange to tow away the ship despite awarding the related work thrice between March 2001 and October 2006;

- After three failed attempts to tow away the ship, the ship could be finally broken and removed from the beach in 2012 at a cost of ₹ 99 crore with CFA of ₹ 70 crore;

- During the intervening period of 12 years, the natural process of sand formation in monsoon was blocked by the grounded 250 meter long ship. As a result, the shoreline of Sinquerim beach was severely eroded by constant bashing of the waves due to which sand dunes had been washed away;

- As the sand dunes, which formed a protective cover to the land, were washed away, the land measuring 5,000 sqm along the beach stretch valuing approximately ₹ 21 crore was eroded;

- The Sinquerim beach became almost desolate for beach tourism during the intervening period and the reported financial losses on account of reduced occupancy in hotels and reduction in tourist arrivals was estimated at ₹ 17 crore.

As a permanent measure to protect the land from sea erosion, the PWD finalised a tender for construction of revetments at a cost of ₹ 38.87 crore which was not awarded as of August 2012. The revetments consisting of heavy boulders, concrete blocks and tetrapods would kill the aesthetic beauty of Sinquerim beach and there is a possibility of it becoming unsuitable for tourism.

During exit conference, the Principal Secretary, Tourism stated that steps would be taken to mitigate the effects of damage caused due to stranding of ship.

2.1.14   Conclusion

The reliance of the State and its economic activities on tourism, notwithstanding, the tourism policy of Goa was found to be deficient. The State's monitoring and regulatory mechanism could not ensure effective beach inspections, cleanliness of beaches, availability of basic amenities in the beaches and regulation of beach shacks, hotels, spas, water sports operations *etc*. There was shortfall to the extent of 85 *per cent* in annual food safety inspections of registered establishments by the State Directorate of Food and Drug Administration. In spite of depletion of ground water table in Calangute and Anjuna, the Water Resources Department did not have any statistics on number of wells dug and number of violations *etc*. The sewerage network and solid waste management in the coastal belt was not effective. Environmental degradation caused by mining to tourist spots and degradation of beaches due to tar ball deposits had not been effectively addressed. The Department was yet to address the adverse fall out of a ship stranded for about 12 years in Sinquerim beach. Of the 10 tourism infrastructure projects proposed to be executed with Central assistance, only one was under execution, three were yet to be approved and the remaining six were held up for want of approvals/permissions. The Department had no media plan. Empanelment of agencies was not transparent. Environmental

Impact Assessment was not part of the 10 tourism infrastructure projects under Central Financial Assistance. Both, the Department and the GTDC were unable to secure their land and properties.

2.1.15	Recommendations

The Government may:

- Formulate a tourism policy which is contemporary, clearly demarcating the role of other agencies and departments for effective convergence;

- Ensure that the selection of advertising agencies and award of contracts for various promotional events are transparent;

- Integrate environment impact assessment at the feasibility stage of the tourism projects;

- Ensure that tourism infrastructure projects which are held up for want of various approvals/permissions are commenced soon;

- Promote monsoon tourism with special packages to capitalise on the advantages of visiting Goa during the monsoon; and

- Establish a solid waste management programme for the coastal belt which attracts a large number of tourists.

The matter was referred to the Government in October 2012; their reply was awaited as of February 2013.