



Regulatory Impact Statement: Charging for access to some public conservation land

Decision sought	Cabinet agreement to amend legislation to introduce the ability to charge for access to some public conservation land
Agency responsible	Department of Conservation
Proposing Ministers	Hon Tama Potaka, Minister of Conservation
Date finalised	10 July 2025

Description

The Government intends to amend the visitor charging powers provided in the Conservation Act 1987, National Parks Act 1980 and Reserves Act 1977, to introduce the ability to charge a levy for access to defined areas of public conservation land with visitor facilities.

Summary: Problem definition and options

What is the policy problem?

With growing visitor numbers and increasing risks to biodiversity, current funding for the Department of Conservation (DOC) is inadequate to manage the upkeep of public conservation land (PCL).

The policy problem has two elements:

- **Funding** – DOC's funding is insufficient to meet its medium- to long-term obligations. This limits its ability to deliver and maintain conservation outcomes and other societal benefits. DOC will have to reduce its activities to match available funding (e.g. less pest-control, scale back recreational facilities that support access to PCL). This has negative impacts for conservation, recreation, tourism and economic growth.
- **Equity** – Current legislation prevents DOC from charging for access to tracks and paths. This means only some visitors (e.g. those using huts) pay fees, while others (e.g. day walkers) still use resources but do not contribute. This results in unfair cost distribution between some visitors and the Crown.

What is the policy objective?

The primary objectives of this proposal are to:

- provide DOC with the tools to charge visitors in a more equitable way, so visitors contribute towards the experiences they enjoy the benefit from
- improve visitor experiences on PCL, funded from increased visitor revenue.

The secondary policy objectives are to:

- uphold the Crown's obligations under the Treaty of Waitangi
- ensure that the benefits of recreation and tourism on PCL, such as economic, health, wellbeing, and cultural benefits, are maintained and improved over time.

What policy options have been considered, including any alternatives to regulation?

Option 1 – Status Quo

The current balance of Crown and user funding within Vote Conservation is maintained, with continued implementation of the Government's Revenue Action Plan for Conservation, as discussed in Section 1. Charging for access to PCL continues to be restricted.

Option 2 – Voluntary charges (non-regulatory)

Visitors are encouraged to make a voluntary contribution at the trailhead or when booking. Charging for access to PCL would continue to be restricted.

Option 3 – Increase and expand existing facility charging powers (non-regulatory)

Expand the use of existing facility charging powers and increase prices significantly where charges are already in place (e.g. huts and campsites). For example, this could be an expansion in the planned carpark charging pilot, increasing from the three planned pilot sites to cover many more sites around New Zealand. Charging for access to PCL would continue to be restricted.

Option 4A [DOC preferred] – Introduce a new levy power to charge visitors for access (regulatory)

The Conservation Act, National Parks Act and Reserves Act are amended to introduce a levy making power for access. This levy would fund the maintenance of PCL and enhancement of visitor experiences. Differential pricing, exemptions and discounts would be enabled in regulations.

Option 4B [Minister preferred] – Introduce a new levy power to charge only international visitors for access (regulatory)

Same as Option 4A, but the levy would apply only to international visitors, with New Zealand citizens and individuals ordinarily resident in New Zealand ("New Zealanders") not subject to the charges. This distinction would be clearly established in primary legislation. For someone to be ordinarily resident in New Zealand they need to have lived in New Zealand for six-months or more. This option could be combined with a variation of voluntary payments (Option 2) for New Zealand citizens and individuals ordinarily resident.

What consultation has been undertaken?

Public consultation on charging for access to some public conservation land ran from November 2024 to February 2025. DOC held 25 hui with Iwi, four stakeholder meetings, and four public sessions, receiving 7,412 submissions. Most submitters opposed charging New Zealanders but supported charging international visitors. Further consultation will be undertaken as part of developing regulations.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

No, DOC prefers Option 4A. The Minister's preferred option in the Cabinet paper is Option 4B.

Summary of preferred options

Option 4A and 4B: Monetary cost benefit table

Present value (\$ millions)		
Five year total	Option 4A (DOC preferred)	Option 4B (Minister preferred)
Cost	9 (2) (i)	9 (2) (i)
Gross revenue	254.8	236.6
Net present value	9 (2) (i)	9 (2) (i)

See *High-level estimates of levy revenue and costs* on page 34 for the full list of assumptions for net revenue figures and cost benefit analysis.

DOC's preferred – Option 4A Introduce a new levy power to charge visitors for access

Benefits (dependant on levy spending / revenue allocation decisions)	
Department of Conservation (the regulator)	Benefits from collecting an estimated gross revenue of \$36–90 million per year from visitors. This is based on inelastic demand. If demand is elastic, higher charges could lead to a reduction in visitor numbers, resulting in lower-than-expected revenue.
Visitors (regulated party)	Benefit from levy spending on higher quality facilities and greater connection to nature due to biodiversity improvement programmes funded by levy revenue.
Concessionaires	Benefit from levy spending on a higher number of experiences on PCL that are desirable (and suitable) for a wider range of visitors, providing an increased number of clients and potentially increasing their willingness to pay.
Iwi and Hapū	Could benefit from levy spending on increasing their cultural presence on PCL (e.g. signs with storytelling).
The environment	Benefits from levy spending on biodiversity improvements. This could include initiatives such as breeding programmes and pest control. Also potential benefit from levy spending on visitor facilities that reduce environmental impacts (e.g. boardwalks to protect wetlands).
Costs	
Department of Conservation (the regulator)	Would be responsible for the implementing, administering and enforcing the levy. Implementation costs could either be covered by the International Visitor Conservation and Tourism Levy (IVL) or through existing conservation funding. Until sufficient levy revenue

	accumulates to cover ongoing administration and enforcements costs, these costs would be met through existing funding. Operational and capital expenditure to implement, operate and administer the levy under Option 4A is estimated at 9 (2) (i) over five years.
Visitors (regulated party)	Would pay the cost of the levy, estimated to be a financial transfer of \$36–90 million per year from visitors to DOC. If visitors are dissuaded from visiting PCL, any foregone personal benefits from their potential visit are also lost alongside wider public benefits such as to national identity and culture.
Concessionaires	May pay some costs associated with ensuring client compliance and meeting any reporting requirements. However, these are expected to be minimal as they would be incorporated into existing concession processes. Potential for reduced profits due to lower visitor numbers in the short to medium term, and/or visitors having less disposable income.
Iwi and Hapū	Iwi and Hapū may find it more difficult to maintain their kaitiaki relationships on PCL due to additional price and administrative barriers (non-monetary cost). They may also incur some costs associated with engagement with DOC on levy settings.
Businesses (excluding concessionaires)	Potential for reduced profits due to possible lower international arrival numbers if New Zealand is viewed as a higher cost tourism destination, and/or international visitors having less disposable income.
Balance of benefits and costs	
As demonstrated in the summary table, the benefits of Option 4A would outweigh the costs. 9 (2) (i) . Whether monetary benefits outweigh non-monetary costs will depend on the decision makers' weighting of non-monetary costs.	

Minister's preferred option – Option 4B Introduce a new levy power to charge only international visitors for access

Benefits (that are different from Option 4A) (dependant on levy spending / revenue allocation decisions)	
Department of Conservation (the regulator)	Benefits from collecting an estimated gross revenue of \$34–83 million per year from international visitors. This is based on inelastic demand. If demand is elastic, higher charges could lead to a reduction in visitor numbers, resulting in lower-than-expected revenue.
Costs (that are different from Option 4A)	
Department of Conservation (the regulator)	Operational and capital expenditure on the levy under Option 4B is estimated to cost 9 (2) (i) over five years.

International visitors (regulated party)	Would pay the cost of the levy, estimated to be a financial transfer of \$34–83 million per year from international visitors to DOC.
New Zealand visitors (regulated party)	No cost.
Iwi and Hapū	No cost.
Balance of benefits and costs	
As demonstrated in the summary table, the benefits of Option 4B would outweigh the costs. 9 (2) (i) [REDACTED] [REDACTED]. Whether monetary benefits outweigh non-monetary costs will depend on the decision makers weighting of non-monetary costs.	

Implementation
If the Government progresses with legislation that enables DOC to charge for access to PCL, this would be implemented through new regulations. DOC would be responsible for its ongoing operation and enforcement. The levy could be collected online, on site and/or through a concessionaire. The details of any new levy and associated regulations will be analysed in subsequent regulatory impact statements (RIS). There are risks to the successful implementation of Option 4A/Option 4B to satisfy the objectives outlined in this RIS. They include: <ul style="list-style-type: none"> • Lack of public buy in – resulting in low compliance and risks to staff health and safety and infrastructure vandalism. • Negative impacts on DOC's relationships with local Iwi and stakeholders – potentially resulting in more difficult implementation, legal challenges, and delays. • Visitor impacts and redistribution – risk that prices may deter visitors from visiting PCL, or push visitors to less-prepared or more ecologically sensitive areas. • Reduction in Crown funding - partially or fully offsetting levy revenue, negating the benefits from improved conservation outcomes and visitor facilities. Additional risks could include congestion, lack of authority over adjacent areas (roads, foreshore), integration issues, and unexpected costs. All the risks identified above could be mitigated through careful design of regulations, clear communication with stakeholders, pricing strategy, and evaluation and review of any proposed changes. Full consideration of the implementation risks will be conducted as part of the assessment of any future regulations that will give effect to the new levy.
Limitations and constraints on analysis

A key constraint on the analysis is that a full assessment of the options requires balancing technical considerations (monetary value) with non-monetary value (e.g. heritage, psychological wellbeing, social license). Costs and benefits associated with non-monetary value are difficult to quantify and depend on how the decision-maker weights this type of value. This RIS focusses on the technical and quantifiable aspects of any legislative change and how they meet objectives. Where possible, DOC has identified areas of non-monetary value to aid decision makers and the public to understand the potential impact of the options. Different decision-makers may weigh the values-based criteria in this RIS differently (e.g. Treaty of

Waitangi, supports recreation). In turn, this may impact their assessment of the appropriate balance between the costs and benefits of each option.

The cost benefit analysis in this RIS assumes that levy revenue will be additional to existing Crown funding and will be spent in line with the levy purpose.

There is limited evidence of:

- **the monetary and non-monetary value of access to PCL.** This has made it difficult to assess the relative cost associated with price barriers. However, we know that non-monetary value exists, including physical, psychological, personal and spiritual factors.¹ The evaluation of options by a decision-maker may differ depending on how they weigh non-monetary costs.
- **the willingness to pay data of visitors to PCL.** Some willingness to pay data exists for a potential access charge for international visitors to Milford Sound (refer to options analysis in Section 2). This evidence gap makes it difficult to assess the potential impact of the proposed levy. When site specific regulations are progressed willingness to pay surveys will be undertaken.
- **the cost of implementation and administering the levy.** DOC will engage with international counterparts and private vendors to gain a better understanding of what implementation options and associated costs will be, as regulations are developed. This will inform the next RIS.
- **non-users and international visitors' views.** Our analysis of submissions indicates it is likely that the majority of the feedback on the public consultation came from New Zealand users of PCL. This has made it difficult to determine what the potential impacts might be on non-users or potential future users.
- **potential visitor impact on sites.** Indicative sites have been used for this analysis, so actual impacts may vary once sites are finalised. Impacts for specific sites will be assessed in a separate RIS when site-specific regulations are progressed.

Due to time constraints, analysis and data collection to fill the information gaps has been limited. As a result, the analysis of this RIS has been limited to considering the introduction of an access levy power. Business cases and detailed site specific RIS(s) will follow, supported by additional evidence.

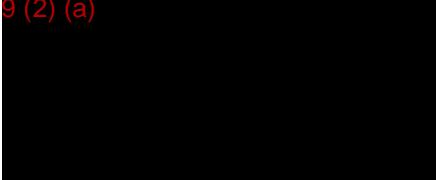
The options are also limited by the Government's decision to rule increases to the IVL out of scope. The Government recently increased the IVL amount from \$35 to \$100 per person in October 2024. Changes to include Australians within the IVL are also out of scope for the same reason.

¹ For example, see "What makes an outdoors place special" - Department of Conservation. (2020). *Survey of New Zealanders 2020*. <https://www.doc.govt.nz/globalassets/documents/about-doc/role/visitor-research/survey-of-new-zealanders-2020.pdf>.

I have read the Regulatory Impact Statement and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:

9 (2) (a)



James Johnson
Budget and Funding Policy
Department of Conservation

10 July 2025

Quality Assurance Statement

Reviewing Agency: The Department of Conservation, Ministry for Regulation and Ministry of Transport

QA rating: Partially meets

Panel Comment:

The Regulatory Impact Analysis Panel, which includes members from the Department of Conservation, the Ministry for Regulation, and the Ministry of Transport, has reviewed the Regulatory Impact Statement (RIS) titled “*Charging for Access to Some Public Conservation Land*,” dated 9 July 2025. The panel considers that the RIS partially meets the Quality Assurance criteria.

While the RIS identifies some options for aligning revenue streams with cost drivers, it does not explore the full range of possibilities, as certain options were excluded by Ministerial direction. Additionally, the presentation of costs and benefits for each option could be more balanced. The RIS also notes that substantial information gaps exist, making it challenging to compare options comprehensively, and that time constraints limited the ability to address these gaps.

To ensure that the preferred options represent a more efficient solution for the Crown compared to the status quo, it will be important to conduct further careful analysis and gather more robust quantitative information in subsequent stages of the RIS. This will help provide Ministers with the confidence that the benefits of imposing a levy on any specific site outweigh the potential costs and implementation risks.

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Section 1: Diagnosing the policy problem

Context

Overview of Te Papa Atawhai / the Department of Conservation

2. The Department of Conservation (DOC) is a medium-sized government department. DOC leads the government's work in the conservation system and administers public conservation land (PCL). DOC manages a third of New Zealand's land mass, including national parks, and marine reserves.
3. Most people who live in, or visit, New Zealand are likely to have come across DOC's iconic green and yellow signs. In 2023/24, around 80 per cent of New Zealanders visited PCL at least once, and around half of New Zealanders visited at least once a month. Over 2024 around 65 per cent of international visitors did a walk or tramp and 45 per cent said they visited one or more national parks during their time in New Zealand. DOC has staff placed in over 100 locations across New Zealand to maintain the large workload across the country. Its roles include:
 - **Management of Natural Heritage**, for maintaining, restoring and protecting ecosystems, habitats and species across PCL and waters.
 - **Management of Recreational Opportunities**, for the maintenance and management of recreational facilities and services including more than 2,000 buildings and huts, 300 camp sites, 13,000 structures and 14,600 kms of tracks, and the management of business concessions.
 - **Management of Historic Heritage**, to protect and conserve New Zealand's 300 actively conserved heritage sites.
 - **Conservation with the Community**, to improve public awareness and educational services, and grow conservation through building partnerships with others, including Iwi, councils, community groups, businesses, and individuals.
 - **Statutory Planning and Services to Ministers and Statutory Bodies**, to provide policy advice and other services to Ministers and other parties.
 - **Crown Contribution to Regional Pest Management**, to help control weeds and animal pests on lands administered by DOC to meet statutory obligations.

The value of public conservation land

4. PCL is Crown-owned land managed for conservation purposes. It makes up approximately a third of New Zealand's land area (over 8 million hectares). PCL is primarily administered under the Conservation Act 1987, the National Parks Act 1980, and the Reserves Act 1977. PCL is a highly valuable resource for New Zealand. This value takes many forms:²
 - current use value from environmental services directly used
 - current use value from environmental services indirectly used
 - future use value in retaining the option to use an environmental service

² New Zealand Institute of Economic Research. (February 2018). *What's the use of non-use values? Revised NZIER report to The Treasury.* <https://www.treasury.govt.nz/sites/default/files/2018-08/LSF-whats-the-use-of-non-use-values.pdf>.

- non-use or passive use value (e.g. people get value from knowing kākāpō exist on offshore islands, even though they may never see one).

5. In 2024 DOC commissioned the New Zealand Institute of Economic Research to report on the total value of PCL. The report estimated the net value of ecosystem services provided by PCL to be around \$11 billion per year. The report also found that the natural and physical capital (assets) on PCL are worth \$134 billion, and that national parks have an intrinsic (non-use) value for New Zealanders of \$12.6 billion. These services underpin significant parts of our economy and contribute to the wellbeing of New Zealanders, for example:

- water provisioning services (water for drinking, agricultural and industrial processes) were valued at \$2.5 billion per year
- waste treatment services (detoxifying excess nutrients and compounds in the environment) were valued at \$3 billion per year
- disturbance regulation (an environment's ability to withstand things like storms, floods and drought) were valued at over \$1.7 billion per year
- recreation activities linked to PCL were valued at almost \$500 million per year. This includes non-market benefits for New Zealanders (health, quality of life, education and research, socialisation) of \$448 million.

6. These figures are likely to be a conservative estimate due to:

- data limitations, for example the lack of New Zealand-specific data means that no economic value was placed on cultural heritage or culturally specific benefits from ecosystems
- the difficulty of valuing things like health or cognitive benefits
- the exclusion of the economic flow on effects of commercial activities on PCL (e.g. tourism, mining).

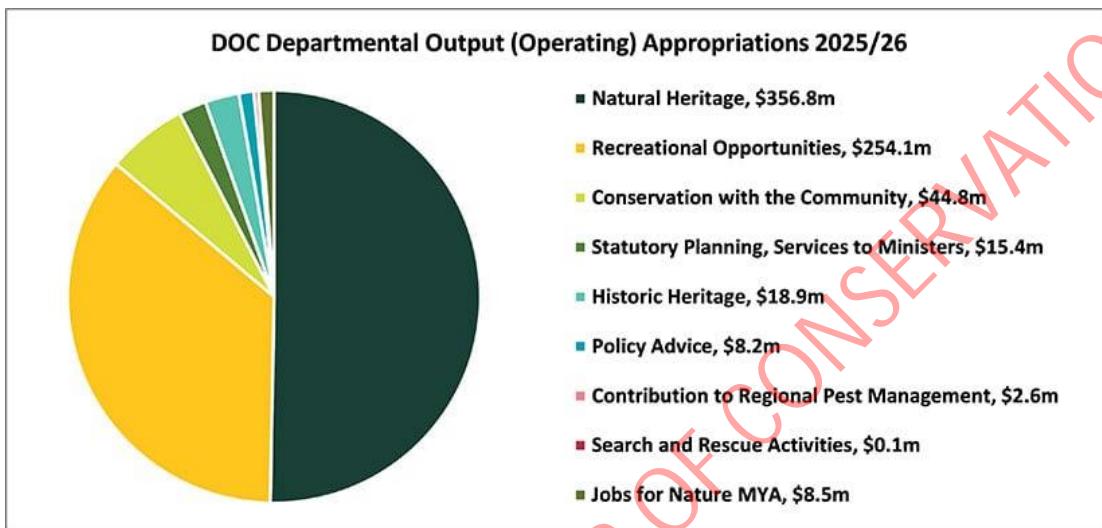
The Department of Conservation's budget

7. DOC's budget for its functions (outlined in paragraph 2) is bound by the Public Finance Act 1989. In 2025/26 DOC has a total operating budget of \$709 million, up from \$664 million in 2024/25. This is largely due to an increase in International Visitor Conservation and Tourism Levy (IVL) contribution allocated to DOC by the Government, which will provide an additional \$55 million.³

8. The Crown, through DOC, undertakes activity and provides services on PCL to improve conservation outcomes and generate wider benefits for society. This increases the value of PCL and wider biodiversity for New Zealand. A breakdown of budgets for DOC's different functions is included in Figure One below.

³ The total new contributions from the IVL allocated to DOC in 2025/26 is \$95 million. However, the Government decreased other Crown contributions to DOC by \$40 million. Factoring in this decrease, the total new additional contribution from the IVL to DOC is \$55 million.

Figure One – DOC Departmental Output (Operating) Appropriations 2025/26⁴



Charges are a small but important contributor to DOC's budget

9. General taxation funded the majority of DOC's budget in 2023/24. This was supported by fees, levies, royalties and payments for goods and services. For 2023/24 this included, but was not limited to:

- **Facility fees and retail:** \$25.4 million (4 per cent). DOC charges users of facilities (mostly huts and campsites) for the use of those facilities. In addition, DOC gets revenue from selling goods from its visitor centres.
- **Concession fees:** \$2.4 million from cost-recovery fees (< 1 per cent) and \$26.8 million from activity fees (i.e. royalties) (4 per cent) associated with concessions. Most activities on PCL require regulatory authorisation in the form of a concession. Exceptions to this include non-commercial recreation and mining (regulated separately under the Crown Minerals Act 1991).
- **International Visitor Conservation and Tourism Levy:** \$35.6 million (5 per cent) for 2023/24 (forecasted to increase to \$95 million annually). A levy paid by just over half of all international visitors to New Zealand (excludes Australians and visitors from some Pacific islands).

DOC's existing charging framework

DOC uses various user charges to fund the conservation system. This includes facility fees, which are paid by individuals to cover the cost, and acknowledge their private benefit, from their use of a facility (e.g. hut, campsite).

Unlike fees elsewhere in the public sector, conservation facility fees are not set based on cost recovery (as defined in Treasury's 2017 'Guidelines for Setting Charges in the Public Sector'). Instead, they are set based on what DOC (as the delegate of the Minister of Conservation) considers to be 'reasonable'.⁵

DOC's interpretation of this legislative requirement is outlined in its internal '*Recreation facilities and services pricing policy*'. This interpretation includes ensuring

4 MYA stands for multi-year appropriation.

5 See Conservation Act 1987, s 17(2), s 60D; National Parks Act 1980, s 49(3); Reserves Act 1977, s 59A(2).

DOC considers the following when setting fees:

- its legislative powers (and its limits) to charge
- its role as a government agency with broad conservation, recreational and tourism policy drivers which are set out in its management plans and policies for national parks, conservation areas and reserves
- its monopoly position in the provision of goods and services
- the array of commercial (market) and non-market pricing techniques available
- the role user charges can play in influencing use and demand for facilities
- the views of its partners, stakeholders and visitors.

Visitors potentially exceed carrying capacity at several sites

10. Carrying capacity is the maximum use that an experience can sustain before impacts on people and the environment become unacceptable or unmanageable. Increases in visitation beyond carrying capacity have a negative impact on:
 - **the environment** because of physical damage (e.g. trampling, erosion and damage of geological features), as well as ecological damage (e.g. disruption of wildlife, introduction of pest plant species).
 - **the visitor experience** due to factors such as compromised wilderness values (e.g. solitude, remoteness), social impacts (e.g. crowding, displacement) and environmental impacts.
11. Visitor numbers at some sites are already at risk of exceeding carrying capacity during some times of the year.

Case study – The Tongariro Alpine Crossing

The Tongariro Alpine Crossing (TAC) in Tongariro National Park is a 20.2 kilometrewalk that takes between six and eight hours to complete. It traverses between the peaks of Tongariro, Ngāuruhoe and Ruapehu in an area of high cultural and spiritual significance for local Māori. In 1992/93 around 10,000 visitors walked the crossing annually. By 2018/19 this peaked at 155,000 visitors.

Surveys undertaken between 2007 and 2024 found that at peak times perceptions of overcrowding and lack of access to clean toilet facilities resulted in negative visitor satisfaction. Separately, in 2017 Iwi raised concerns about the management of the significant amounts of human waste being generated close to their sacred sites.

The large growth in visitor numbers has necessitated several management interventions, such as car parking restrictions and the development of additional facilities. While additional facilities can increase carrying capacity, they can also negatively impact wilderness values and are not always environmentally or culturally appropriate. Additional facilities also create new costs, with funding reprioritised from elsewhere. Current annual operational expenditure on TAC facilities is around \$0.1 million.

Visitors currently contribute through a \$3 community contribution fee applied through concessionaires (e.g. commercial shuttles and guides). This is forecast to generate

\$0.3 million per year by 2027, to fund manaaki rangers, undertake annual wānanga and to provide for facility maintenance as required.

Other prominent examples of PCL exceeding, or at risk of exceeding, carrying capacity include Piopiotahi Milford Sound, Aoraki Mount Cook and Mautohe Cathedral Cove.

How the status quo is expected to develop

DOC's growing financial and environmental pressures:

12. DOC is facing growing challenges with visitor management, infrastructure and biodiversity protection. These are outlined below.

A significant increase in international visitors since 1987

13. When DOC was established with the passing of the Conservation Act in 1987, New Zealand had 844,000 international arrivals. This number has grown by roughly 250 per cent. In 2024, New Zealand had 3.3 million international arrivals, trending towards the 2019 peak of 3.9 million arrivals. Around half of all international tourists will visit a national park during their stay. This puts pressure on facilities, resulting in higher costs for visitor management and maintenance (e.g. emptying toilets).⁶

Increasing impact of severe weather events

14. Climate change is increasing both the frequency and intensity of extreme weather. Because of this, costs associated with extreme weather continue to increase. For example, following the severe storms that hit the North Island in 2023 around 42 per cent of DOC's sites in the affected regions required repair or replacement. As a result, DOC's storm damage costs rose to around \$5 million in 2023 and \$7.1 million in 2024, compared with \$1.2 million on average in the four years before 2023. DOC expects the cost associated with weather events will continue to increase.

DOC's assets are ageing, and the cost of replacements is growing

15. DOC is behind in the renewal and replacement of assets by around \$25 million per year. The cost to replace assets is now far higher than when they were constructed, even when adjusted for inflation. This is due to factors such as technological advancements (e.g. solar panels, double glazing), higher building standards, increased construction costs and stricter safety requirements. Historic underinvestment in DOC's assets means more maintenance and replacements will be needed in future, at a higher cost. Forecasts show that an additional \$320 million of capital expenditure will be required over the next 10 years to replace assets at the end of their financial life. This will also require associated operating expenditure.

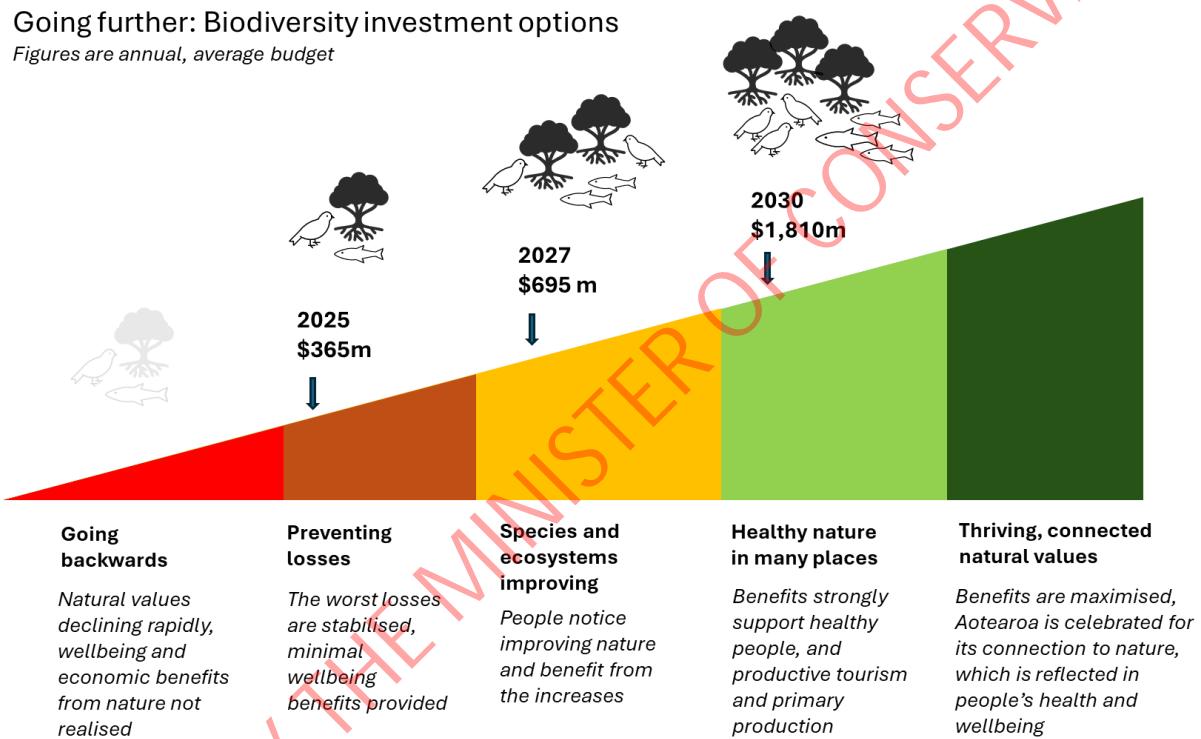
Biodiversity is declining, requiring investment to maintain previous gains

16. Experiences with nature is a key part of a visitor's experience on PCL. New Zealand's ecosystems are declining and over 4,300 native species are either at risk or threatened with extinction. This is being driven by invasive species, climate change, land use shifts and pollution. New Zealand is at risk of losing some of its unique species and

⁶ For example, high numbers of international day visitors to Mueller Hut in Aoraki Mt Cook National Park in 2023/24 resulted in additional helicopter waste removal trip being required, costing an extra \$18,000 beyond what was budgeted.

ecosystems, significantly degrading the value of visiting PCL and the non-use value of biodiversity. An additional \$67 million of investment into biodiversity would mean active protection of an additional 250 species.⁷ The scale of biodiversity funding needed is represented in Figure Two below.

Figure Two: Annual estimated budget need to improve biodiversity outcomes (DOC, 2025)⁸



Under the status quo, work is underway to address financial challenges, but it is limited in magnitude

17. The Minister of Conservation has outlined a priority to grow revenue and recalibrate costs.
18. To deliver on this priority, DOC is progressing initiatives from the Government's Revenue Action Plan for Conservation, which aim to grow funding for conservation. Initiatives include:
 - creating new visitor charges under existing legislative powers (e.g. car park charges) and reviewing existing ones
 - creating new charges for commercial activity, reviewing existing charges for concessionaires and improving cost recovery
 - expanding commercial partnerships and donations.
19. DOC also has other workstreams underway that aim to improve the effectiveness and efficiency of DOC's spending. These include:

⁷ This figure is based on species management plans that are currently being reviewed and improved. Plans incorporate modelled costs where we have not yet calculated the detailed, specific cost, and they do not reflect efficiencies where we work on multiple species and ecosystems at the same locations.

⁸ Figures represent different funding scenarios, averaged over a 4-year period.

- **Future Visitor Network** - aims to review what facilities make up DOC's visitor network, to ensure it continues to meet visitor needs and to improve its financial sustainability.
- **Proposals to modernise conservation land management** - aims to make PCL management more effective and efficient through improvements to management planning, concessions, amenities areas and land exchange and disposal.

Defining the policy problem and the opportunity

20. With growing visitor numbers and increasing risks to biodiversity, DOC's current funding is inadequate to manage the upkeep of PCL.
21. The policy problems can be split into two parts:

Funding	DOC's funding is inadequate to meet its statutory obligations over the medium to long term, limiting its ability to deliver and maintain conservation outcomes and wider societal benefits. Inadequate funding limits DOC's ability to undertake core conservation activities, such as pest control, and maintenance of the visitor network. Biodiversity outcomes are declining, and DOC must reduce the size of its visitor network. This has negative impacts for tourism and economic growth. ⁹
Equity	DOC's ability to recover costs from visitors is limited by legislation, which prohibits charging for tracks, paths and access. As a result, there is inequitable charging across user groups, with those using huts and campsites paying fees, while day-walkers or short-term visitors often not contributing. The lack of a financial contribution from these groups results in other paying users, or the Crown, contributing an 'unfair' share of the costs of the facilities they're using.

22. Currently, DOC is largely reliant on the Crown for its baseline funding and any funding increases required to cover cost pressures. However, in the current constrained fiscal environment, additional Crown funding in the short to medium term is unlikely.
23. Due to inadequate funding, DOC is having to reduce its activities (e.g. providing recreational facilities, undertaking biodiversity work). Work is underway to identify lower value visitor experiences that will have future funding deprioritised as DOC looks to divest these to third parties. The scope and scale of biodiversity work delivered by DOC must be reprioritised, potentially leading to loss of prior biodiversity gains made through earlier Crown investment. Even if additional Crown funding becomes available in the future, recouping any losses will take time and cost significantly more.
24. Additional revenue from an access charge could be invested in maintaining and improving existing experiences on PCL. Managed carefully with visitor management tools to avoid unsustainable peaks, this would result in higher utilisation of PCL, leading to wider economic growth and societal benefits (e.g. health).

⁹ For example, see Department of Conservation. (2024). *Tourism Economy on public conservation land and waters 2024*. <https://www.doc.govt.nz/about-us/our-role/managing-conservation/assessing-the-value-of-public-conservation-land/>.

Lack of legislative flexibility in the charging regime is creating inconsistent and unfair outcomes

25. Although the Conservation Act, National Parks Act, and Reserves Act provide some powers to charge visitors for the use of facilities, these are constrained by provisions prohibiting charges for the use of tracks and paths. The Conservation Act goes further and explicitly guarantees that access to conservation areas will be free to the public.¹⁰ Concessionaires can also be charged a range of fees under Part 3B of the Conservation Act, which are often passed on to their clients. This means that visitors are only charged if they use overnight facilities (e.g. campsites, huts) or use the services of a concessionaire.

26. This lack of legislative flexibility is creating issues as the popularity of the activities visitors undertake on PCL changes. Shorter experiences that do not rely as much on overnight facilities are becoming more popular. This includes short walks, day walks and mountain biking.¹¹ The track standard for these experiences is often significantly greater than that of most overnight tramps, being up to seven times more expensive per kilometre.

Case studies

Day walkers to Mueller Hut Aoraki / Mount Cook National Park

Over three-quarters of summer visitors to Mueller Hut are day walkers. Day walkers are not required to pay to use the hut facilities such as the toilet. An adult visitor staying overnight is required to pay \$50 per night.

Mountain bikers on the Heaphy Track Kahurangi National Park

About 17 per cent of Heaphy Track users are mountain bikers. Mountain bikers can finish the track in one to two days, paying up to \$44 in hut fees. Trampers take up to five days and pay up to \$220 in hut fees. The track has seen significant upgrades in the past decade, including larger bridges and a wider path to accommodate mountain biking.

International tourism on PCL also raises equity issues

27. Equity issues are also raised by the prevalence of international tourism at some sites on PCL. The majority of the costs of these experiences are funded by the Crown through general taxation. International tourists contribute to costs via the IVL, GST, and where they pay for the use of specific facilities. This still makes up a small proportion of total costs and means, in many cases, New Zealand taxpayers are effectively ‘subsidising’ the experiences of international visitors on PCL.

¹⁰ See Conservation Act 1987, s 17; National Parks Act, s 49; and Reserves Act 1977, s 59A.

¹¹ When the Conservation Act was passed in 1987 mountain biking was in its infancy, with the first mountain bikes imported to New Zealand in 1984. Since then, it has seen rapid growth with adult participation sitting at 9.2 per cent in 2014. See Sport New Zealand. (2015). *Sport and Active Recreation Profile: Cycling & Mountain Biking – Findings from the 2013/14 Active New Zealand Survey*. <https://sportnz.org.nz/media/1530/2013-14-sports-profile-cycling.pdf>.

What objectives are sought in relation to the policy problem?

28. The primary objectives of this proposal are to:

- provide DOC with the tools to charge visitors in a more equitable way, so visitors contribute towards the experiences they enjoy the benefit from
- improve visitor experiences on PCL, funded from increased visitor revenue.

29. The secondary policy objectives are to:

- uphold the Crown's obligations under the Treaty of Waitangi
- ensure that the benefits of recreation and tourism on PCL, such as economic, health, wellbeing, and cultural benefits, are maintained and improved over time.

What consultation has been undertaken?

30. In October 2024, Cabinet agreed to consult on the discussion document *Exploring charging for access to some public conservation land*.

31. Consultation took place from November 2024 to February 2025, alongside proposals to modernise conservation land management.

32. DOC held 25 regional hui with Iwi, as well as four stakeholder engagements and four public information sessions during the consultation period.

33. In total, 7,412 submissions were received on the proposal. A breakdown of the submissions received is below. These numbers do not include submissions that were excluded because they were duplicated or blank.

Table One: Summary of submissions received

Type of submissions	Number of submissions	Proportion of total submissions
Forest & Bird form submission	4,836 (1,305 had additional comments)	65 %
Online survey submission	2,339	32 %
‘Unique’ submission	237	3 %
Total submissions	7,412	-

34. The statistics on submissions cited in this RIS come from unique and online survey submissions only. Forest & Bird form submissions did not respond to the specific consultation questions, so could not be used in the statistics. These submissions were included in the overall qualitative thematic analyses of submitters' views.¹²

35. Not every submitter responded to all consultation questions. The statistics used in this RIS represent the views of those that did respond to the relevant question. Blank answers were not counted in the statistics.

¹² Within the Forest & Bird pro forma submission the key points relevant to this RIS were: "charges should only be used as part of an overall government plan to deliver a net, sustained increase in investment in biodiversity and conservation" and "any charge for access to public conservation land should not deter New Zealanders from connecting with the natural environment of Aotearoa".

36. Of the online survey and ‘unique’ submissions, roughly 93 per cent came from individuals. The remaining seven per cent was comprised of 28 conservation groups, 6 industry associations, 44 Iwi, Hapū or Māori organisations, 6 local government groups, 39 not-for-profits or clubs, 41 tourism stakeholders and 5 ‘other’.

37. Submissions from individuals and groups have been weighed equally in the statistics below. Note that ‘unique’ submissions were primarily from groups, organisations and businesses.

38. When submitters were asked how they felt about the Government charging for access to some areas of PCL, they gave the following responses:

- Overall, around 63 per cent of submitters opposed charging for access to some areas of PCL.
- Around 64 per cent of online survey submitters opposed or strongly opposed the Government introducing the ability to charge for access to some parts of PCL, whereas 27 per cent supported or strongly supported the Government doing so.
- Around 51 per cent of ‘unique’ submitters supported or strongly supported the Government introducing the ability to charge for access to some parts of PCL, whereas 42 per cent opposed or strongly opposed the Government doing so.

39. When asked to what extent they supported charging New Zealanders and/or international visitors, submitters showed strong opposition to charging New Zealanders and the majority supported charging international visitors.¹³ This is summarised in Table Two.

Table Two: Submitters’ views on who should pay access charges¹⁴

Expressed as percentages	Submission type	Oppose, or Strongly Oppose	Neutral	Support, or Strongly Support	Unsure
Charging everyone	online survey	86	5	9	1
	‘unique’	82	2	13	2
Charging everyone, but New Zealanders pay less	online survey	77	6	16	1
	‘unique’	63	5	29	3
Charging only international visitors	online survey	16	12	71	1
	‘unique’	14	8	76	3

¹³ Some submissions are unclear about whether the submitter opposes *any* access charge and only supports charging international visitors if there was no other option. Conversely, some submitters clearly oppose access charges generally but still support charging international visitors.

¹⁴ Percentages are rounded to the nearest whole number. Percentages may not sum due to rounding.

Many Iwi and Hapū supported charging international visitors, but not New Zealanders

40. Views from Iwi, Hapū and Māori organisations varied. Some select key themes are below:

- most expressed conditional support for charging international visitors, depending on how government works with Iwi and Hapū to protect their rights and interests, and the role for Iwi and Hapū in the design and implementation of any access charge
- most opposed charging everyone, and/or charging everyone, but with New Zealanders paying less
- strong opposition to charging mana whenua to access PCL within their rohe.

Most stakeholders opposed charging New Zealanders, but some supported charging international visitors

41. Stakeholder views varied, even amongst stakeholders with similar interests. Key themes from stakeholder submissions are below:

- **Recreation, hunting and fishing stakeholders:** broad support for charging international visitors, while most are opposed charging New Zealanders due to concerns about creating a price barrier, equity issues, impacting New Zealanders' ability to hunt, and the perception that free access to PCL is a right for New Zealanders that should not be changed.
- **Tourism stakeholders:** support charging international visitors, with mixed views about whether New Zealanders should be charged. Some groups are concerned about double charging with concession fees, and/or the IVL.
- **Conservation boards and environmental groups:** support for charging international visitors, with opposition to charging New Zealanders. Support for charging was largely based on the potential to increase funding for conservation work.

42. A detailed summary of submissions will be released in mid-2025.

Section 2: Options to address the policy problem

Criteria to compare options to the status quo

43. Options for change have been compared to the status quo using the following criteria:

Criteria	Description
Technical criteria	
Net revenue for conservation	Ability to generate sufficient revenue to invest into improving visitor experiences on PCL.
Cost to establish, collect and administer	Estimated cost to establish, collect and administer.
Values-based criteria	
Equity	Making sure the costs of visitor services and facilities are shared equitably between users, and between users and the Crown. This includes considering how much visitors can and are willing to pay.
Treaty of Waitangi	Supporting and upholding the Crown's Tiriti o Waitangi / Treaty of Waitangi obligations, including Treaty settlement commitments.
Supports recreation	Supporting the accessibility of PCL for recreation by New Zealanders.

44. There are potential trade-offs between revenue generation and some of the values-based criteria. Higher revenue options could create price barriers and affect the ability of Māori to maintain kaitiaki relationships on PCL. The weighting of values-based criteria in decision making is highly subjective and will be determined by the values of the decision makers.

45. This RIS assumes that the imposition of a levy will likely decrease the number of visitors to these sites on PCL in the short and medium-term (depending on willingness-to-pay). However, in the long-term visitor numbers will likely increase due to visitors being attracted to higher quality experiences, more accessible facilities and visitors becoming accustomed to paying. If this is the case, there may be associated spillover benefits outside of PCL, such as for regional employment and tourism. Visitors may also redistribute to other experiences on PCL where a levy is not imposed. The impact on visitor numbers, and the desirability of this impact, will be analysed in more detail in site-specific RIS(s) to support regulations development.

Efficiency of implementation is being considered in more detail in site-specific analysis

46. As with any user charge, ensuring that the cost of collection does not exceed the revenue generated is essential and that an unreasonable amount of cost is not imposed on visitors due to inefficient payment systems. User charges should be efficient and deliver a relatively high return-on-investment.
47. Implementation efficiency, return-on-investment and costs will be more fully considered as site-specific levies are progressed, including as part of a subsequent business case and a RIS(s).

Why is a user charge being considered?

Some experiences on PCL are ‘club goods’

48. The Treasury defines public goods as a good with the trait ‘that excluding people from its benefits is either difficult or costly, and its use by one person does not detract from its use by another’.
49. While in many cases experiences on PCL exhibit these traits, there are notable exceptions. In places where the geography allows, non-payers can theoretically be prevented from accessing that experience (e.g. Milford Corridor, Aoraki Mount Cook). Additionally, in areas facing issues with carrying capacity the use by one visitor potentially reduces the enjoyment that others get from the same experience (e.g. Tongariro Alpine Crossing).
50. The situations where charging is being considered more closely resemble club goods – ‘people can be excluded from its benefits at a low cost but its use by one person does not detract from its use by another, at least until the point where congestion occurs’.
51. Regardless of option chosen, where congestion occurs (i.e. ‘rivalry’), DOC will consider the use of its visitor management powers to address this (e.g. booking systems), to improve visitor experience and protect the environment.

Context – Fees, levies and taxes		
Fees	Levies	Taxes
A fee is a charge on a <u>specific person</u> for the provision by the government of a good or service. Fees are targeted, location-based, and reflect the private benefits that individuals receive from a service. They are often used in situations where costs to provide a service are clear, or easy to attribute to users. Commonly used for private or mixed goods.	A levy is a charge on a <u>group of individuals or organisations</u> who benefit from a good, service, or regulation to help fund a particular government objective or function, such as conservation outcomes. They are often used in situations where it is difficult to attribute costs to individual users. Commonly used for club goods.	A tax is a charge imposed by the government on individuals or organisations to fund general public expenditure. Only Parliament has the power to authorise the raising of money through taxes.

What sort of user charge is most appropriate? A fee, levy or tax?

52. A common way of charging for the use of a club good is to apply a levy to users. A levy is considered the preferred approach in this RIS (see Option 4A and 4B), as there is an identifiable group to which the benefits of access accrue – visitors (direct users of PCL). A levy would provide the additional advantage that revenue would be earmarked for the maintenance of PCL and enhancement of visitor experiences, distinguishing it from a tax.¹⁵
53. Funding all of DOC’s activities through a levy on visitors is not recommended or viable. PCL and biodiversity provide benefits for society wider than direct users, including the non-use value of biodiversity.
54. This RIS also considers the expansion of existing visitor facility fees (see Option 3).

Discounted types of charges

55. The use of a cost-recovery fee has been discounted because:
 - it would be difficult to directly allocate the costs of providing an experience to individual visitors because experiences consist of a package of facilities (e.g. tracks, toilets, shelters) with fixed and variable elements
 - investment is required to improve experiences, and this may be seen as cross-subsidisation across time.
56. While there are some similarities between levies and taxes, the targeted nature and direct link between usage and funding made a levy preferable in this context. The use of a conservation-specific tax was also discounted because:
 - it could be found to be contrary to New Zealand’s international tax agreements if discriminatory rates were used for international visitors (one of the options the Minister of Conservation has indicated he would like investigated for any regulations)¹⁶
 - it would also not improve conservation outcomes, as revenue would not be ring-fenced for conservation purposes.

The difference between an access levy and a border levy (i.e. the IVL)

57. As previously discussed, international visitors to New Zealand, except for Australians and visitors from some Pacific Islands, are required to pay the IVL. This is required before arrival under section 399A of the Immigration Act 2009.
58. The IVL was introduced in 2019 to address issues with funding infrastructure related to tourism and conservation. The 2018 RIS completed for the IVL identified that the Government at the time considered that a package of funding tools was required to ensure that tourism infrastructure and conservation move to a more sustainable funding package.¹⁷ The RIS also included analysis on the potential need to develop new local visitor levies and user charges for PCL. Around half of submitters to the IVL’s public

15 Legislation Design and Advisory Committee. (2021). *Legislation Guidelines: 2021 Edition*. Pages 89 – 90.

16 For example, see *United States - New Zealand Income Tax Convention*, Article 23. Also see *Addy v Commissioner of Taxation* [2021] HCA 31 (Australia).

17 Ministry of Business, Innovation and Employment. (2018). *Regulatory Impact Statement: International Visitor Conservation and Tourism Levy*.

consultation suggested that the IVL should be introduced alongside complementary revenue tools (including local visitor levy, user charges).¹⁸

59. The IVL's RIS makes it clear that it was always intended to be part of a package of funding tools for tourism infrastructure and conservation. There are several differentiating factors between any access levy and the IVL, these are outlined in Table Three. An access levy has additional benefits in that it is targeted to direct use and therefore more equitable.

Table Three: Differences between the IVL and an access levy to PCL

IVL (broad)		Access levy (targeted)
Purpose	To provide ring-fenced funding towards conservation, tourism infrastructure and tourism initiatives across New Zealand.	To provide ring-fenced funding towards visitor experiences on PCL where charged (e.g. key visitor destinations on PCL). This includes the upkeep and improvement of visitor facilities and biodiversity work that contribute towards the visitor experience.
Who can access levy funds	Ministry of Business, Innovation and Employment, DOC.	DOC.
Who pays	International visitors, excluding Australians and visitors from some Pacific Islands (who make up around 50% of all visitors).	All international visitors, and potentially New Zealanders (see Option 4A and Option 4B).
Where it is paid	Before entry to New Zealand.	On (or before) access to key visitor destinations on PCL. Could also be collected as part of a 'national parks pass' or similar product.

Scope and limitations of the options considered by this RIS

60. To identify gaps in the funding 'tools' available, DOC considered how similar overseas government agencies charge visitors. Access charges are commonly used internationally and are viewed as a significant opportunity to improve funding available for PCL and improve the equity of visitor charges. Based on this advice, Cabinet directed DOC to publicly consult on the use of access charges to inform a full regulatory impact statement (**RIS**) and final policy decisions.

61. While access charges may be used to cover some of the cost of facilities which the Minister of Conservation can currently charge for, a full review of existing facility charging powers has not been considered due to resourcing and timing constraints. Integration with the existing facility charging powers will be considered when regulations are proposed.

62. Simply removing the prohibition on charging for the use of tracks and paths was considered but ultimately discounted, as it would not provide sufficient legal clarity and could be perceived as a proxy access charge.

18 Ibid. Page 9.

63. The Government has put an increase to the IVL out of scope of this RIS because they recently increased the IVL in October 2024. The Government has also put legislative changes to apply the IVL to Australians out of scope for the same reason.

This RIS assumes revenue from options will be additional to Crown funding

64. The analysis of options in this RIS, including the cost benefit analysis, assume that any revenue created by the options will be additional to existing Crown funding and spent on DOC's activities.

65. If a future Government decides to reduce Crown funding because of additional revenue from visitors, the benefits resulting from increased spending on conservation and visitor facilities will be reduced or eliminated. In that case, the effect of the policy would be to shift some of the cost of conservation work and providing visitor experiences from the Crown (i.e. the taxpayer) to visitors accessing PCL.

66. There could be two consequences:

- reduced economic efficiency** – the imposition of charges on visitors introduces transaction and administrative costs, and potentially discourages potential visitors. If revenue is not spent to create additional value either in conservation or elsewhere, there would be reduced benefits for society.¹⁹
- improved equity** – the shifting of more costs to visitors, where costs are disproportionately worn by the Crown, acknowledges that they impose costs and receive private benefits. This will remain true if existing Crown funding is reduced. See the 'equity' criteria for further discussion.

Options analysed in this RIS

Option 1 – Status Quo

67. The current balance of Crown and user funding within Vote Conservation is maintained, with work continuing to implement the Government's Revenue Action Plan for Conservation, as discussed in Section 1. Charging for access to PCL continues to be restricted.

Option 2 – Voluntary payments (non-regulatory)

68. Visitors are encouraged to make a voluntary contribution at the trailhead or when booking. Charging for access to PCL continues to be restricted.

69. Most survey submitters supported the use of voluntary payments, but many also thought that voluntary payments alone would not be effective, as people could simply choose not to pay.

70. Alongside this, use of already available visitor management tools (non-regulatory and regulatory) would be investigated to address issues with visitor management and ensure a quality visitor experience.

19 For more information see: Senate Environment, Recreation, Communications and The Arts References Committee. (1998). *Access to Heritage: user charges in museums, art galleries and national parks*. Page 52. https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Completed_inquiries/1996-99/access/report/c04.

Option 3 – Increase and expand existing facility charging powers (non-regulatory)

71. Expand the use of existing facility charging powers and increase prices significantly where charges are already in place (e.g. huts and campsites). This could include a step-change in the planned carpark charging pilot to cover many sites around New Zealand. Charging for access to PCL continues to be restricted.
72. Some submitters raised wider use of carpark charges and better charging at busy campsites as an alternative to access charging, to generate revenue for conservation.
73. Alongside this, use of already available visitor management tools (non-regulatory and regulatory) would be investigated to address issues with visitor management and ensure a quality visitor experience.

Option 4A – Introduce a new levy power to charge for access (regulatory)

74. The Conservation Act, National Parks Act and Reserves Act are amended to introduce a levy making power for visitor access.

Purpose of the levy

75. The purpose of this levy would be to fund the maintenance and enhancement of visitor experiences on conservation land controlled or managed by the Crown. This would enable the Government to fund a step change in how visitor infrastructure and services are provided, as well as conservation work that contributes to international visitors' overall experiences (e.g. activities to improve the opportunities for wildlife encounters).

Prioritisation of levy revenue

76. The reinvestment of levy revenue would be prioritised in the locations where it was generated, to maintain social license for the levy and to ensure experiences are appropriately maintained to the expected standard. Once investment needs at-place are met, the levy revenue could be reinvested into the region or in priority national projects to improve visitor experiences.

Visitor management

77. In future, price could also be used as a demand management tool if desired. This would sit alongside existing visitor management tools (non-regulatory and regulatory). As part of site specific analysis the use of all these visitor management tools would be investigated to ensure a quality visitor experience.

Opportunities for bundling of charges

78. Introduction of a levy and removal of the prohibitions would enable new opportunities to bundle existing and new visitor charges. This could include a single pass for entry into an area that cover things such as access, car parking and visitor impact fees (charged to some concessionaires).²⁰

²⁰ A practical example of a different charging model is that used on the Old Ghost Road. For the Old Ghost Road the Mōkihinui-Lyell Backcountry Trust charges a flat \$160 for all users, irrespective if they walk or bike, or how many days they complete the track in. This covers the use of all facilities along the track.

Differential pricing, exemptions and discounts

79. Differential pricing, exemptions and discounts would be enabled in regulations. Feedback on the public consultation indicated the design of differential pricing, exemptions and discounts would heavily influence the social license of any access charge.

Levy site selection

80. Criteria for levy site selection would need to focus on providing certainty and assurance for the public on the type of locations where charges could be used, while providing a degree of flexibility for their use in the future as visitors behaviours and cost drivers change. Sites are proposed to have to meet at least one of the following for a levy to be applied:

- a) sites that are iconic and popular, with high international visitor numbers, AND / OR
- b) sites that have high visitor infrastructure and facility costs, AND
- c) where the benefits of introducing an access levy exceed operational costs.

81. Sites that meet these criteria include Aoraki / Mt Cook, Piopiotahi / Milford Sound, Mautohe / Cathedral Cove and the Tongariro Alpine Crossing. There are 2.5 million visitors across the four sites annually.

Option 4B – Introduce a new levy power to charge only international visitors for access (regulatory)

82. Same as Option 4A, but the levy would apply only to international visitors, with New Zealand citizens and individuals ordinarily resident in New Zealand (“New Zealanders”) not subject to the charges. This distinction would be clearly established in primary legislation. For someone to be ordinarily resident in New Zealand they need to have lived in New Zealand for six-months or more.

83. This option could be combined with a variation of voluntary payments (Option 2) for New Zealand citizens and individuals ordinarily resident.

How do the options compare to the status quo?

	Option 1 – Status Quo	Option 2 – Voluntary payments	Option 3 – Expanded and increased facility charges	Option 4A – Visitor access levy, all visitors (DOC preferred)	Option 4B – Visitor access levy, international visitors only (Minister preferred)
Revenue for conservation	0	+	+	+++ High gross revenue potential compared to the status quo (\$36–90 million). When estimated costs are taken into account, 9 (2) (i) [REDACTED] [REDACTED] Enables charging for popular tracks and destinations on PCL (e.g. Milford Corridor, Aoraki Mount Cook). Levy revenue will enable greater funding being made available to enhance and expand visitor facilities, tracks and the recreational experience, resulting in an improved visitor/tourism experience. The levy can be used to support biodiversity activities adjacent to popular visitor areas, generating gains for both conservation and tourism outcomes.	++ Gross revenue \$2–7 million lower than Option 4A (\$34–83 million). 9 (2) (i) [REDACTED] [REDACTED]

	Option 1 – Status Quo	Option 2 – Voluntary payments	Option 3 – Expanded and increased facility charges	Option 4A – Visitor access levy, all visitors (DOC preferred)	Option 4B – Visitor access levy, international visitors only (Minister preferred)
Cost to establish and collect	0	0 Some minor costs to turn on web functionality for donations and the purchasing of EFTPOS machines. Collected using existing staff.	0 Expansion of existing booking system, negligible additional costs.	9 (2) (i) [REDACTED]	9 (2) (i) [REDACTED]
Equity	0	+ Contributions would be voluntary. Would enable the level of donations to align with visitors' ability to pay and the value they derive from the experience (potentially generating larger donations from overseas visitors).	+ Carpark charging may enable the balancing of contributions between users and the Crown. However, increasing existing facility charges may further entrench existing inequities between users.	++ International visitors will pay more than New Zealand visitors, and regulations will enable different groups to be either exempt from the levy payment or pay a reduced charge (e.g. children/young people, disabled people, locals living in the area, hunters and volunteers). Creates a more targeted, 'user pays' approach with people in high-visitor areas contributing more to the quality and quantity of facilities and visitor experience at place (freeing-up Crown funding to contribute to conservation outcomes in areas with no or low visitor numbers and therefore no access levy).	+ Less equitable than Option 4A, as New Zealanders with ability to pay for the services they use will make a windfall gain (i.e. benefiting from something they were able and willing to pay for but received for free).

	Option 1 – Status Quo	Option 2 – Voluntary payments	Option 3 – Expanded and increased facility charges	Option 4A – Visitor access levy, all visitors (DOC preferred)	Option 4B – Visitor access levy, international visitors only (Minister preferred)
Treaty of Waitangi	0	0 Contributions would be voluntary, so this does not impact Treaty obligations.	0 Continuation of the status quo, where all users of facilities are charged for their use. Low risk of unintentionally capturing users undertaking traditional cultural activities.	9 (2) (g) (i) [REDACTED] [REDACTED] Risk that some Iwi members may not be able to access sites that are culturally important due to price or administrative barriers. This risk could be partially mitigated through future policy decisions on the settings in the regulations. These could include discounts, exemptions, or a role in levy revenue allocation.	0 Marginal impact on members of Iwi and Hapū who are not New Zealand citizens or are not ordinarily resident in New Zealand.
Supports recreation	0	0 Visitor access for recreation would not be impacted.	- Increased fees may impact on accessibility by deterring lower-income groups and reducing inclusivity. Differential pricing, discounts and exemptions could help mitigate this impact.	- Levy may impact on accessibility by deterring lower-income groups and reducing inclusivity. Differential pricing, discounts and exemptions could help mitigate this impact.	0 Accessibility for New Zealanders is maintained on the same terms as under the status quo.

Key: Compared to the status quo

+++ significantly better

++ much better

+ better

0 about the same

- worse

-- much worse

Overall assessment of which option is likely to best address the problem

The Minister's preferred option in the Cabinet paper is not the same as the DOC's preferred option

84. DOC prefers to enable charging for all visitors in primary legislation (Option 4A), whereas the Minister prefers to only charge international visitors (Option 4B).

Option 4A is DOC's preferred option

85. While Option 4A and Option 4B scored equally against RIS criteria, DOC considers that Option 4A best balances the policy objectives and delivers the highest net benefits.
86. It scored highest out of all the options for net revenue for conservation (+++). It also scored highly for equity (++), as it enables a levy that fully recognises the costs imposed and benefits received by visitors.
87. Option 4A has a potential negative impact on supporting recreation (-) and the Crown's obligations under the Treaty of Waitangi (-). It also scored negatively for the cost to collect (-), but this is offset by the strong estimated net revenue (see Table Eight and Figure Three).
88. DOC considers these potential negative impacts of 4A (such as the Treaty and recreation impacts) can be mitigated or eliminated using regulations to provide exemptions, discounts and differential pricing. Because of this, DOC prefers Option 4A over Option 4B.

Option 4B is preferred by the Minister and also scored highly

89. The Minister's preferred option, Option 4B, also scored positively against the criteria. It scored relatively well for supporting recreation (0) and the Crown's obligations under the Treaty of Waitangi (0), as these would remain the same as the status quo.
90. It also scored positively for revenue generation for conservation (++). There would be a small but material decrease in estimated revenue (\$2-7 million lower than Option 4A). The access levy scored negatively for the cost to collect (-), but this is offset by the strong estimated revenue (see Table Eight and Figure Three).
91. It scored relatively lower for equity (+) than Option 4A, as only international visitors would directly contribute through the levy towards the experiences they have on PCL.

Commentary on the assessment of options

Treaty of Waitangi / Tiriti o Waitangi implications

92. Section 4 of the Conservation Act states:

"This Act shall so be interpreted and administered as to give effect to the principles of the Treaty of Waitangi."

93. 9 (2) (g) (i)

However, the connection between access to land and cultural identity was a strong

theme heard during the Government’s engagement with Iwi (and Hapū) on access charging.

94. As part of the consultation process, many Iwi (and Hapū) representatives expressed that it would be inappropriate to charge members of Iwi (and Hapū) to access PCL within their rohe, as this would interfere with their cultural identity, negatively impact their kaitiaki relationships with their taonga and be seen as a further alienation of their whenua.
95. The Waitangi Tribunal’s report WAI 262 *Ko Aotearoa Tēnei* found that Article 2 of the reo Māori text of the Treaty guaranteed kaitiaki would have tino rangatiratanga over their taonga. The Tribunal found that because of this, the relationship between kaitiaki and taonga (such as native wildlife) is entitled to a reasonable degree of protection by the Crown.²¹
96. 9 (2) (g) (i) [REDACTED]
97. At a minimum, exemptions should be provided where they relate to specific rights granted through Treaty settlement.
98. Any exemption specifically for tangata whenua would likely be difficult to implement, likely requiring either self-identification by individuals or involvement of Iwi in the administration of exemptions (perhaps similar to delegations for customary fishing authorisations).²² 9 (2) (g) (i) [REDACTED]

Assessing monetary and non-monetary benefits of access for visitors

99. Many monetary and non-monetary benefits flow from recreation and tourism on PCL, including to the economy, health, wellbeing and culture. For example, prior to COVID-19, conservation-related tourism was worth \$4.3 billion per year, and a more recent estimate has put it at \$3.4 billion per year.²³
100. Non-monetary benefits from access to PCL, such as benefits to health, wellbeing, culture and national identity are harder to quantify. Because of this, it was difficult to determine the cost of the options in terms of lost benefits. The existence of these benefits is well documented.²⁴ Different decision-makers may place different values on non-monetary

21 Waitangi Tribunal. (2011). *Ko Aotearoa Tēnei: A report into claims concerning New Zealand law and policy affecting Māori culture and identity* (WAI 262). Page 703.

22 For example, see Fisheries (South Island Customary Fishing) Regulations 1999, regulation 11.

23 This was an indicative internal estimate of the economic value of tourism activities on public conservation land aggregated from the regions. Estimates were calculated using Ministry of Business, Innovation and Employment databases, which have been discontinued. The updated figure takes into account the period between 2020 and 2023 when international visitor numbers were much lower.

24 For example, see:
IPSOS. (2020). *Survey of New Zealanders 2020*. <https://www.doc.govt.nz/globalassets/documents/about-doc/role/visitor-research/survey-of-new-zealanders-2020.pdf>.

Senate Environment, Recreation, Communications and The Arts References Committee. (1998). Page 44.

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/Completed_inquiries/1996-99/access/report/c04.

benefits. In turn this may impact their assessment of the appropriate balance between the costs and benefits of each option.

101. Despite this inherent subjectivity, this RIS still provides some breakdown of these non-monetary costs so they can be factored into the cost-benefit analysis. To assess non-monetary costs, it was assumed that the levy would decrease the total number of visitors and therefore reduce the benefits created.²⁵ Given that assumption:
 - Option 2 had no impact on non-monetary benefits as payments are voluntary
 - Option 3 had a moderate negative impact on non-monetary benefits, due to its limited scope
 - Option 4A had the highest negative impact on non-monetary benefits, although this could be mitigated through differential pricing, exemptions and discounts
 - Option 4B had low negative impact on non-monetary benefits, because access by New Zealanders remains free.

Non-monetary value for non-users

102. Although feedback on the consultation from non-users was low, two impacts can be anticipated on the non-monetary value derived from PCL by non-users. These are:
 - lower regional spending from lower visitation (assuming visitors do not choose a substitute experience in the same region)
 - potentially lower existence value for non-users that value people visiting PCL, but higher existence value for non-users that value the biodiversity gains funded by levy revenue.
103. It is worth noting that inaction may also result in non-monetary costs, such as the degradation of non-use values (e.g. biodiversity) through insufficient funding (for facilities and pest control) or visitor pressure.

Balancing the benefits from revenue with the cost to access

104. Potential monetary and non-monetary costs need to be weighed against the potential benefits that could be created through the revenue generated. These could include higher visitor enjoyment due to improved facilities and biodiversity gains from pest-control programmes. As explained above, this balancing exercise is difficult because potential revenue is easier to quantify than the non-monetary cost, and is inherently subjective.
105. The assumptions outlined in this RIS has led DOC to conclude, on balance, that Option 4A should be the preferred option. However, it is worth reiterating that decision-makers may place more emphasis on non-monetary benefits from access to PCL and on Treaty considerations, which may then lead them to a different conclusion.
106. Monetary benefits and costs are discussed in the next section.

25 This will depend on visitor willingness to pay. In the long-term visitor numbers may increase due to visitors being attracted to higher quality experiences, more accessible facilities and visitors becoming accustomed to paying. Visitors may also redistribute to other experiences on PCL where a levy is not imposed. The impact on visitor numbers will be analysed in more detail when regulations are developed.

Other design features to achieve objectives

Eligibility for differential pricing, discounts and exemptions

107. If differential pricing (potential under Option 4A) or exemptions (Option 4B) are offered to New Zealand citizens and those ordinarily resident, this will need some level of verification. DOC currently requires visitors wanting to access lower differential prices to show a piece of documentation listed in Table Four below. The presence or absence of the listed documents alone won't be determinative. Each case will be judged based on the evidence provided.

Table Four: Acceptable eligibility proof for the New Zealand rate (Great Walks)²⁶

Eligibility	Copies of one of the following
New Zealand citizen	<ul style="list-style-type: none">• New Zealand driver's licence• Birth certificate• New Zealand passport
New Zealand ordinary resident	<ul style="list-style-type: none">• New Zealand driver's licence <p>OR name and address on letter from:</p> <ul style="list-style-type: none">• an employer or employment records• a New Zealand bank• government agency, i.e. Inland Revenue Department, Ministry of Social Development• local council – rates/water bill• mortgage/tenancy documents agreements• a utility company invoice with your name and address on it• 'official' correspondence addressed to you at your New Zealand address• documents showing that your household effects have been moved to New Zealand.

108. Proof of the documentation above could be requested during spot checks, or by requiring eligible visitors to register for access even if no cost is associated (i.e. they are exempted from levy payment).

Regulation making powers

109. Amendment to existing primary legislation is required to introduce a new access levy. However, most of the levy details would be in regulations. These regulations would be accompanied by a further RIS and a stage 2 CRIS where relevant.

110. Examples of necessary regulations include specifying the location for each charge, the specific amount of the charge, and any exemptions, discounts, differential pricing, and criteria for waivers.

²⁶

See DOC's website for more information: <https://www.doc.govt.nz/about-us/our-role/managing-conservation/recreation-management/great-walks-management/eligibility/>.

Compliance

111. As part of any option, a graduated compliance approach is proposed, following the VADE model:

- **Voluntary behaviour** - encourage compliance through clear information, education, and engagement, making it easy for visitors to comply
- **Assisted behaviour** - when voluntary compliance is not sufficient, assistance is provided, such as information, guidance, and support to help visitors understand and meet their obligations
- **Directed behaviour** - if assisted compliance fails, DOC may direct specific actions or changes to be made by the visitor to achieve compliance
- **Enforced behaviour** - the final stage involves enforcement actions, which may include penalties, or even legal proceedings, when a visitor is unwilling to comply with the previous steps.

112. The VADE model emphasises a proactive and tailored approach to compliance, recognising that most visitors are likely to be willing to comply and that enforcement actions are a last resort. It allows for a graduated response, moving from education and assistance to more serious measures as needed and that that compliance interventions are proportionate to the level of non-compliance.

113. As part of implementing a VADE model, regulations would need to specify relevant infringement offences to enable the enforcement of payment should the earlier interventions be insufficient to change behaviour.

High-level estimates of levy revenue and costs

114. This RIS assumes that if Option 4A or Option 4B are progressed then an access levy will likely be implemented first at the locations in Table Five.

*Table Five: Likely initial access levy locations and annual visitor numbers**

Likely levy location		New Zealand visitors (000)	International visitors (000)	Total visitors (m)
Larger	Piopiotahi Milford Sound	110	990	1.1
	Aoraki Mount Cook	120	880	1.0
Smaller	Mautohe Cathedral Cove	63	188	0.3
	Tongariro Alpine Crossing	20	80	0.1
Total				2.5

*Based on 2020 – 2025 visitor numbers

Indicative levy amount and estimated levy revenue

115. No decisions have been made on levy amounts. However, existing willingness-to-pay data like that collected by the Milford Opportunities Project and international examples provide a guide for the potential range of the levy.²⁷ International examples of national park entry fees include: China (\$58), Nepal (\$46), Argentina (\$45), USA (\$23) and Australia (\$10).²⁸

116. Table Six outlines the range of levy amounts used to provide an annual gross revenue estimate. These were then adjusted by ± 50 per cent to provide a range for the revenue estimates in Table Seven. A two-times differential price has been assumed for international visitors.

Table Six: Levy amounts for sensitivity analysis

	New Zealand citizens and people ordinarily resident			International visitors		
Levy amount range	50%	Base	150%	50%	Base	150%
Larger experience (e.g. Milford, Aoraki)	\$10	\$20	\$30	\$20	\$40	\$60
Smaller experience (e.g. Cathedral Cove, Tongariro Alpine Crossing)	\$5	\$10	\$15	\$10	\$20	\$30

Table Seven: Gross annual levy revenue estimates and sensitivity analysis (levy amount)

	Option 4A (DOC preferred)			Option 4B (Minister preferred)		
Levy amount range	50%	Base	150%	50%	Base	150%
Estimated gross annual revenue	\$36m	\$67m	\$90m	\$34m	\$62m	\$83m
Visitor numbers	2.4m	2.3m	2.0m	2.4m	2.3m	2.0m

27 See Kantar. (2021). *Milford Opportunities Project masterplan: International consumer insights*. <https://www.milfordopportunities.nz/assets/Milford-Opportunities-Project-Masterplan-International-Consumer-1.pdf>.

28 Adjusted for inflation and converted to NZD from USD. See Van Zyl, H., Kinghorn, J., & Emerton, L. (2019). National park entrance fees: A global benchmarking focused on affordability. *PARKS*, 25(1). https://www.parksjournal.com/wp-content/uploads/2019/05/PARKS-25.1-Van-Zyl-10.2305-IUCN.CH .2019.PARKS-25-1HVZ.en_1.pdf.

Assumptions underlying Table Seven

117. The annual gross revenue estimates in Table Seven are preliminary and are based on the following major assumptions:

- Levy is implemented at the sites identified in Table Five and at the amounts set out in Table Six.
- 70 per cent of visitors (New Zealand and international) are willing to pay \$100 to access larger experiences and \$50 to access smaller experiences.²⁹
- Demand is inelastic within the levy amount range given.
- No induced demand as a result of the additional revenue spent, and visitor numbers cannot grow beyond the number when there is no access levy.
- No discounts/exemptions (despite these being anticipated), and a two-times differential price for international visitors.
- Non-compliance by 15 per cent of visitors.

118. The gross revenue estimates will be sensitive to changes in these assumptions. New Zealanders' willingness to pay may be significantly lower than that of international visitors because the levy would likely make up a larger proportion of total trip cost for New Zealanders³⁰ and the potential for New Zealanders to respond to the levy by substituting out experiences on PCL for recreation alternatives (due to a greater availability of alternatives compared to international visitors).³¹

119. Cost is already a significant barrier to many New Zealanders accessing iconic experiences on PCL, with this being a key theme of submissions we received from groups such as hunters and trampers. A survey from 2023 found that it was the biggest barrier to visiting Piopiotahi Milford Sound for 51 per cent of New Zealanders surveyed.³²

120. The assumption of inelastic demand fits the willingness to pay assumption. However, the elasticity assumption is likely unrealistic for higher levy amounts. Visitor numbers may rapidly decline if the levy amount exceeds the \$100 used as a benchmark in the assumptions. The further the levy amount is below or above this benchmark, the more uncertainty there is in the resulting revenue estimate. If demand is actually elastic, higher charges could lead to a reduction in visitor numbers, resulting in lower-than-expected revenue. Further willingness to pay data will be required for greater certainty of the impact of the levy on demand.

121. Preliminary sensitivity analysis has been undertaken on willingness to pay assumptions. To do this the proportion of visitors willing to pay \$100 to access larger experiences and \$50 to access smaller experiences was adjusted by ± 20 per cent. This returned a range of \$46.8 - \$72.5 million estimated gross annual revenue, both of which return positive net present value over five-years.

29 See Kantar. (2021).

30 Because travel costs for New Zealanders are likely to be lower.

31 Peterson, G. L., Stynes, D. J., Rosenthal, D. H., & Dwyer, J. F. (1984, March 22-23). Substitution in recreation choice behaviour. In *Proceedings of the Recreation Choice Behaviour Symposium*, Missoula, MT. https://www.fs.usda.gov/rm/pubs_int/int_gtr184/int_gtr184_019_030.pdf.

32 Kantar. (May 2023). *Consumer insights to support development and implementation of the Milford Opportunities Project Masterplan: New Zealand market insights*. <https://www.milfordopportunities.nz/assets/Final-Milford-Opportunities-Project-Masterplan-Domestic-Consumer-v2.pdf>.

122. Revenue estimates will also vary depending on the total number of sites where access charges are introduced; while we recommend piloting an access levy at four sites, there may be a case for a wider use of access levies should the pilots prove successful.

Gross revenue estimates are relatively significant

123. The estimated gross revenue is significant when compared to the size of DOC's total operating budget of \$709 million (2025/26). Option 4A's estimated gross revenue of \$67 million equates to 9.5 per cent of DOC's 2025/26 budget and Option 4B's estimated \$62 million equates to 8.7 per cent. Beyond ensuring current visitor and biodiversity outcomes are appropriately funded, revenue of this scale provides an opportunity to increase the number of threatened species managed (\$67 million equates to an additional 250 species managed) and improve visitor experiences. Initial visitor projects could include updating and replacing utilities and visitor infrastructure in Milford Sound, which the Milford Opportunities Business Case estimated would cost over \$110 million in the next 10 years.³³

124. Locations and levy amounts would be subject to further consultation and analysis before they are specified in regulations.

Indicative implementation, administration and operational costs

125. To meet the primary objective in this RIS of improving conservation outcomes and visitor experiences through increased net revenue for conservation, levy revenue must exceed costs. Net revenue is challenging to estimate before detailed implementation planning. Some costs are highly site specific and will depend on interactions with DOC's existing visitor management interventions. When further information and evidence is available during the development of the next RIS(s) net revenue will be recalculated.

126. Rough-order costs are estimated in Table Eight for the implementation, administration and operation of the levy.

Table Eight: Rough-order estimate of cost to implement, administer and operate the levy, and indicative five-year net present value

Present value (\$ millions)		
Five year total	Option 4A (DOC preferred)	Option 4B (Minister preferred)
OPEX	9 (2) (i)	9 (2) (i)
Gross revenue	254.8	236.6
Net present value	9 (2) (i)	9 (2) (i)

33 Milford Opportunities Ministerial Advisory Group. (June 2024). Milford Opportunities Project Business Case: A feasibility assessment using Better Business Case methodology. Projects include upgrades to wastewater and potable water, the electricity cable and power supply; new visitor protection refuges; new toilets; decontamination of the Cleddau Flat; and roading improvements at Cleddau Flat. The projects were expected to be completed between 2027 and 2034.

9 (2) (i)



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34 This discount rate is known as the “social rate of time preference” rate. It has been used here as the option has mainly non-commercial costs and benefits, valuing long term impacts. Preliminary sensitivity analysis was also conducted for a discount rate of 8 per cent, known as the “social opportunity cost of capital” rate. This rate is used when costs and benefits are mainly commercial, involving more risk. This rate also returned a net positive return on investment. See <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>, and <https://www.treasury.govt.nz/sites/default/files/2024-10/treasury-circular-2024-15.pdf>.

35 9 (2) (i)
36 9 (2) (i)



• 9 (2) (i) [REDACTED]

[REDACTED] 37

128. If Cabinet progresses with an access levy, DOC will engage with international counterparts and vendors to better understand implementation options and associated costs will be. This will inform the RIS to accompany site specific regulations.

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37 The more complex and extensive the access charging exemption system, the higher the ongoing administrative/operational costs.

Cost benefit analysis – Option 4A (DOC's preferred option)

Affected groups	Comment	Impact	Evidence certainty
Additional costs of the preferred option compared to taking no action			
Visitors <i>Regulated parties</i>	Cost associated with paying the levy. Reduced visitor numbers due to the levy amount.	High \$36–90 million per year (see Table Seven).	Medium Levy amounts and locations will be determined in regulation.
Department of Conservation <i>Regulator</i>	Costs associated with implementation, administration and operation of the levy.	Medium 9 (2) (i) over 5 years expressed in present value.	Low Additional contingency of 50 per cent added to account for low evidence certainty.
Iwi, volunteers, locals <i>Other</i>	Potential cost associated with engagement on setting levy. Potential non-monetary cost associated with price barriers to accessing PCL.	Low	Low
Concessionaires <i>Other</i>	Costs associated with ensuring client compliance with levy requirements and complying with any exemption requirements. Potential reduced profits due to lower visitor numbers in the short to medium term, and/or visitors having less disposable income.	Low	Low
Businesses (excluding concessionaires) <i>Other</i>	Potential for reduced profits due to possible lower international arrival numbers if New Zealand is viewed as a higher cost tourism destination, and/or international visitors having less disposable income.	Low	Medium
Total monetary costs		9 (2) (i) over 5 years expressed in present value.	Low
Non-monetary costs		Medium	Low

Affected groups	Comment	Impact	Evidence certainty
Additional benefits of the preferred option compared to taking no action			
Visitors <i>Regulated parties</i>	Would benefit from levy spending, including from investment into conservation projects adjacent to the visitor experience and improved facilities for visitor experiences.	High	Medium
Department of Conservation <i>Regulator</i>	Benefits from collecting an estimated gross revenue of \$36–90 million per year from the four locations in the Cabinet paper. Actual revenue will be dependent on design choices such as price, discounts and exemptions, as well as the assumptions outlined earlier in this section (such as demand being inelastic). Note the spending of revenue will also result in non-monetary benefits.	High \$36–90 million per year (see Table Seven).	Medium
Iwi, Hapū and whānau <i>Other</i>	Could benefit from levy spending, including potential increased cultural story telling at site (e.g. increased signage and artwork).	Low	High
Concessionaires <i>Other</i>	Would benefit from levy spending, from DOC offering a higher number of experiences that are desirable (and suitable) for a wider range of visitors, providing an increased number of clients and potentially increasing their willingness to pay.	Low	High
The environment <i>Other</i>	Would benefit from levy spending, resulting in enhanced investment in biodiversity. This could include initiatives such as breeding programmes and pest control. Also potential benefit from levy spending of decreased environmental degradation because of investment in facilities (e.g. boardwalks to protect wetlands).	High	Medium
Total monetary benefits		\$36–90 million per year (see Table Seven).	Medium
Non-monetary benefits		Medium	High

Cost benefit analysis – Option 4B (Minister's preferred option)

Affected groups	Comment	Impact	Evidence certainty
Additional costs of the preferred option compared to taking no action			
Visitors <i>Regulated parties</i>	Cost associated with paying the levy. Reduced visitor numbers due to the levy amount.	High \$34–83 million per year (see Table Seven).	Medium Levy amounts and locations will be determined in regulation.
Department of Conservation <i>Regulator</i>	Costs associated with implementation, administration and operation of the levy. May have a relatively higher ongoing cost compared to Option 4A due to the need to administer an exemptions system.	Medium 9 (2) (i) over five years expressed in present value.	Low Additional contingency of 50 per cent added to account for low evidence certainty.
Iwi, volunteers, locals <i>Other</i>	Potential cost associated with engagement on setting levy.	Low	Low
Concessionaires <i>Other</i>	Costs associated with ensuring client compliance with levy requirements and complying with any exemption requirements. Potential reduced profits due to lower visitor numbers in the short to medium term, and/or visitors having less disposable income.	Low	Low
Businesses (excluding concessionaires) <i>Other</i>	Potential for reduced profits due to possible lower international arrival numbers if New Zealand is viewed as a higher cost tourism destination, and/or international visitors having less disposable income.	Low	Medium
		Total monetary costs 9 (2) (i) over five years, expressed in present value.	Low
		Non-monetary costs	Medium
			Low

Affected groups	Comment	Impact	Evidence certainty
Additional benefits of the preferred option compared to taking no action			
Visitors <i>Regulated parties</i>	Would benefit from levy spending, including from investment into conservation projects adjacent to the visitor experience and improved facilities for visitor experiences.	High	Medium
Department of Conservation <i>Regulator</i>	Benefits from collecting an estimated gross revenue of \$34–83 million per year from international visitors at the four locations in the Cabinet paper. Actual revenue will be dependent on design choices such as price, discounts and exemptions, as well as the assumptions outlined earlier in this section. Note the spending of revenue will also result in non-monetary benefits.	High \$34–83 million per year (see Table Seven).	Medium
Iwi, Hapū and whānau <i>Other</i>	Could benefit from levy spending, including benefits associated with potential increased cultural story telling at site (e.g. increased signage and artwork).	Low	High
Concessionaires <i>Other</i>	Would benefit from levy spending, from DOC offering a higher number of experiences that are desirable (and suitable) for a wider range of visitors, providing an increased number of clients and potentially increasing their willingness to pay.	Low	High
The environment <i>Other</i>	Would benefit from levy spending, resulting in enhanced investment in biodiversity. This could include initiatives such as breeding programmes and pest control. Also potential benefit from levy spending of decreased environmental degradation because of investment in facilities (e.g. boardwalks to protect wetlands).	High	Medium
Total monetary benefits		\$34–83 million per year (see Table Seven).	Medium
Non-monetary benefits		Medium	High

Section 3: Delivering an option

Implementation

129. New legislation would be required to empower DOC to collect the levy, and DOC would be responsible for its ongoing operation and enforcement. The levy could be collected online, on site and/or through a concessionaire (noting that visitors not using a concessionaire would have to pay online or at site).
130. If the legislative amendments to enable Option 4A or Option 4B regulations would be developed with the details necessary to implement and enforce the levy. This would be accompanied by a further RIS and a stage 2 CRIS. This subsequent analysis will include robust quantified information on implementation costs and visitor willingness to pay. If legislative amendments are progressed, statutory plans and policies such as the Conservation General Policy will need to be updated.
131. Actual implementation of the levy is estimated to take place by the end of 2027 at the earliest. This will provide time for DOC to:
 - investigate detailed options for implementation on site (e.g. barrier arms over road, spot checks, online booking)
 - develop a communications plan
 - undertake targeted consultation with stakeholders and engage with Iwi
 - secure implementation funding
 - install any infrastructure to assist with levy collection
 - hire additional staff to undertake functions related to the levy (e.g. compliance and administration)
 - start levy collection.
132. As stated above, implementation will require capital and operational funding. Options for sourcing this funding are being explored, including baseline reprioritisation and IVL funding. Ongoing funding for compliance and administration would be funded from the levy fund itself.

Implementation risks

133. There are risks to the successful implementation of Option 4A/Option 4B to satisfy the objectives outlined in this RIS. These implementation risks will be analysed in more detail in the subsequent RIS(s). They include:
 - **Lack of public buy in** – resulting in risk to staff health and safety, infrastructure vandalism and levy-avoidance (i.e. low compliance). This can be mitigated through exemptions and discounts, alongside careful site selection.
 - **Negative impacts on DOC's relationships with local Iwi and stakeholders** – potentially resulting in more difficult implementation, legal challenges, and delays. This can be mitigated through exemptions and discounts, as well as through engagement with Iwi and stakeholders.
 - **Visitor impacts and redistribution** – risk that prices may deter visitors from visiting PCL, or push visitors to less-prepared or ecologically sensitive areas. This will be mitigated by commissioning further willingness to pay studies.

- **Reduction in Crown funding** - partially or fully offsetting levy revenue, negating the benefits from improved conservation outcomes and visitor facilities.
- **Congestion** – risk of poor visitor flow (congestion) along roadways, in car parks, and along tracks. This will be mitigated through visitor monitoring and visitor management.
- **Lack of authority over adjacent areas** – risk relating to private land, public roads and foreshore enabling visitors to bypass compliance measures, undermining the effectiveness of levy collection. This will be mitigated by identifying existing issues and ensuring these are considered by drafters.
- **Integration issues** – risk of poor visitor experience or double charging from poor integration with existing systems. This will be mitigated by considering all existing systems during implementation.
- **Weather conditions and environmental factors** – risk of delay of the installation of infrastructure or unexpected visitor behaviour (e.g. closure of the Hooker Valley Bridge in Aoraki / Mount Cook National Park in 2025 due to erosion, closure of Cathedral Cove walkway). This will be mitigated by factoring in this uncertainty into implementation timelines.
- **9 (2) (g) (i)**
[REDACTED]
- **Insufficient funding** – risk of inadequate funding being available as unexpected costs arise. This will be mitigated by working in contingencies into implementation budgets.

Monitoring, evaluation, and review

Collection and expenditure

134. Feedback on the public consultation showed a strong desire for transparency and accountability with regards to the collection and expenditure of the proposed levy. The Government proposes to do annual reporting on the levy revenue and expenditure.
135. Appropriate review and evaluation processes will be established for expenditure programmes, as part of final expenditure decisions.
136. DOC will continue to engage with other agencies in New Zealand and overseas to improve the effectiveness of our management of the levy.

Consultation and review

137. Before implementation, local stakeholders would be consulted, and Iwi would be engaged on the proposed levy. This would provide them with an opportunity to input into the design of the levy and how it is collected, reducing the risk of unforeseen consequences.
138. The Government proposes a maximum period between reviews of five years. This would ensure that there is certainty for visitors and concessionaires on what visitors will need to pay while ensuring that the system is operating well. If these reviews result in any

significant proposed changes to the levy (e.g. beyond inflation adjustment), further consultation with local stakeholders and engagement with Iwi would be required.

Visitor numbers and satisfaction

139. DOC would monitor visitor numbers at sites where the levy is applied through track and road counters. Future installation of cameras may be contemplated to improve the accuracy of data collected. Qualitative data on visitor satisfaction would also be collected through visitor surveys, such as the 'Public Pulse of Conservation' and the 'International Visitor Survey'.
140. Success would look like high visitor satisfaction reported through surveys and continued demand for the experience at the pilot sites. If visitor numbers or visitor satisfaction declines unexpectedly due to the levy, this may prompt an earlier review of the levy. Other early prompts for review include unexpected distribution impacts, decline in environmental indicators or issues with visitor management.
141. Sites where charges are not used would be monitored for two reasons:
 - to provide a control to compare the impact of the charges
 - to prevent potential adverse impacts from the substitution behaviour of visitors and ensure they are being directed to locations with appropriate facilities