

Budget 2024 – Vote: Conservation Key messages and Q&A

Budget Sensitive

Budget 2024

Budget 2024 will be released by the Minister of Finance on 30 May 2024.

Budget 2024 confirms changes to the appropriation for the Department. This includes savings initiatives and wider changes to appropriations.

Key messages

- The Department of Conservation has staff working at more than 100 locations to manage one third of the country and protected marine areas. They do their absolute best to protect species, heritage sites, and provide excellent experiences for visitors.
- The total Vote: Conservation budget for 2024/25 is \$826 million.
- Like all government agencies, the Department of Conservation has been directed by Government to find savings as part of Budget 2024.
- The Baseline Savings Target for the Department of Conservation in Budget 2024 was 6.5%. Cabinet agreed the Department of Conservation would make savings of \$31.341 million per annum. The Department of Conservation was also required to make additional one-off savings of \$8.930 million in 2024/25.
- In addition to the Baseline Savings Target, the Department of Conservation needed to fund cost pressures of \$6.9 million in 2024/25; and an estimated additional \$16.3 million in 2025/26. These cost pressures are largely driven by wage and price inflation.
- I have worked closely with Department of Conservation officials to minimise the impact of these savings on conservation outcomes.
- To help meet the Baseline Savings Target and wider cost pressures, the Department of Conservation has undertaken an organisational change process. This has resulted in a net reduction of 124 positions out of 2,706.
- The savings being made will impact the ability of the Department to deliver conservation outputs.
- I am focused on ensuring the Department of Conservation is financially sustainable, efficient, and focused on high value conservation work and areas. The Department of Conservation is undertaking a Financial Sustainability Review to provide me with advice on how to best achieve priority conservation outcomes within available funding.
- I am also focused on growing non-Crown funding for conservation. I have directed officials to provide me with advice on options to increase the revenue that the Department generates, including from international visitors. I intend to discuss these options with Cabinet and will make announcements in due course.

Budget 2024 Q&A - Conservation

What is the Department of Conservation Vote budget for 2024/25?

The Vote: Conservation budget is \$826 million in the 2024/25 financial year. Departmental funding is \$719 million. Non-Departmental funding is \$107million.

What savings is DOC making for 2024/2025?

Like all government agencies, the Department of Conservation (**DOC**) has been directed by Government to find savings.

DOC's ongoing Baseline Savings Target (**BST**) is \$31.341 million per annum from 2024/25. The BST savings are 6.5% of the DOC baseline that was eligible for savings. DOC was also asked to make additional one-off savings of \$8.930 million in 2024/25.

Where are the one-off savings being made?

One-off savings of \$8.930 million in 2024/25 are being made from funding for the Kermadec Ocean Sanctuary (\$6.930 million) and Jobs for Nature (\$2 million).

What about other cost pressures that DOC along with other agencies face?

On top of Government's BST, DOC has made savings to fund significant non-discretionary and demand-driven cost pressures. This includes contracted pay adjustments and general price increases. The cost pressures are \$6.9 million in 2024/25; and an estimated additional \$16.3 million in 2025/26.

The cost pressures DOC faces can be met for two years from the cost pressure savings that it has made. The Department faces ongoing cost pressures that will need to be met beyond 2025/26.

In total, the BST and DOC's cost pressures combined mean that DOC has total savings of \$47.2 million in 2024/25 and anticipates total savings of \$54.6 million in 2025/26.

DOC is a largely operational agency. How does DOC's savings package ensure the frontline is not impacted?

There are no Department of Conservation savings initiatives which directly reduce frontline ranger positions. However, proposed position savings are largely from frontline-enabling roles, which may have indirect impacts on frontline services.

What enabling services have been reduced or stopped?

Over the past few months, the Department of Conservation has been identifying where and how it could cut back with the least overall impact on people and conservation outcomes.

There will be some reductions in a range of support functions including:

- A reduction in positions in Monitoring, National Programmes and Predator Free 2050.
- Reduced Geographic Information Systems support.
- Reduced contracted financial advice and accounts support for information technology systems applications and products.
- Closure of the Sentinel A Nuku apprentice ranger programme in 2026. This programme trains students who whakapapa Māori to be kaitiaki rangers, giving them qualifications related to conservation.
- A reduction of Resource Management Act 1991 advocacy, including a reduction in the legal services. This will reduce conservation interventions and legal processes related to resource management.
- Reduced baseline funding for strategic partnerships.

Will stopping any of the programmes to meet targets affect Treaty relationships?

The Baseline Savings Target savings package does include the closure of the Sentinel A Nuku programme, which trains students who whakapapa Māori to be kaitiaki rangers, giving them qualifications related to conservation. The Department of Conservation will navigate the relationship with Māori landowners and Treaty partners involved in this work.

What is DOC doing to improve its systems to free up frontline managers and staff?

While there will be fewer regional support staff, the Department of Conservation has shifted some functions to Organisational Support, including asset management. This will provide better support to the frontline. In making the savings, the Director-General also has a simplification programme underway to make systems easier to use and free up staff time.

How much will it cost to implement the savings package?

The Department of Conservation has set aside \$7 million in the 2023/24 fiscal year for implementing the savings package, which the Department is managing from existing baselines. We cannot confirm the final amount needed until the change process has been completed. Funding is primarily needed for redundancy payments and implementation costs.

Why is the Government stopping the Jobs for Nature programme, given all the positive impacts this funding has achieved?

The Jobs for Nature programme was funded through the COVID-19 Response and Recovery Fund. The programme was always intended to conclude in 2026. The DOC funding returned through Budget 2024 was not committed nor allocated by DOC and therefore has a minimal impact.

What would this funding have been spent on if it had been allocated?

The funding may have been allocated to community programmes delivering conservation outcomes in regions during 2025 and until June 2026, and possibly to top-up some existing projects in that same timeframe.

Did the Department of Conservation investigate options to increase revenue for the 24/25 financial year?

s.9(2)(f)(iv). I have also asked the Department of Conservation to explore options to unlock third-party revenue for conservation. This may in the future include increasing the International Visitor Conservation and Tourism Levy, new private and philanthropic partnerships, and introducing charges for accessing parts of the visitor network. I will announce the outcomes of this work in due course.

Do the savings include the maintenance costs for the Chateau?

No, the Chateau maintenance costs are not included in the savings. It is estimated that maintenance costs for the Chateau will be \$2.3 million per year. Work is underway to explore options for the future of the Chateau and to reduce costs.

How did the Department of Conservation assess the impacts of the proposed savings?

The criteria used by the Director-General to analyse savings options were:

- alignment to Government priorities
- impact on the organisation's ability to continue to deliver and to make efficiency improvements
- impact on outputs and outcomes
- ease of implementation, and
- feasibility of achieving the savings in time for fiscal year 2024/25.

What consultation has been done on these savings?

The Department of Conservation has engaged with an Assurance Panel, made up of members from the Treasury, the Public Service Commission and the Department of Prime Minister and Cabinet on the savings.

DOC staff and the New Zealand Public Service Association were consulted to put forward savings and efficiency ideas, and staff in the Department were consulted over the organisational change proposal arising from the budget savings.

What is the new funding for Conservation for?

The Minister of Finance has included a Budget provision for one new initiative. The initiative is still being actively considered by Cabinet and I will make announcements in due course.

New Zealand is facing a challenging economic and fiscal environment. My priority is to grow third party revenue for conservation. This includes use of funding from the International Visitor Levy to fund high priority conservation projects.

Why doesn't the overall budget for DOC add up to last year's budget minus savings?

The budget appropriations change between years due to previous time limited funding ending, previously allocated funding coming into the budget, and because of expense transfers between years. That is the case here.

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Budget 2024 Factsheet 1

Overview of budget and vote changes

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Budget 2024 and the Estimates Select Committee hearing

The Minister of Finance is delivering Budget 2024 on 30 May 2024. Until that time, information on our appropriation changes and budget initiatives is budget sensitive.

The Select Committee Estimates Hearing on Vote: Conservation is on Tuesday 18 June from 3-5pm. The estimates hearings are an integral part of Parliament's scrutiny over Government's spending, including any changes made as part of the Budget.

Although the hearing is largely about the Government's spending intentions, questions from the Committee often cover the Government's strategic intentions, the impacts of expenditure changes (for example, from the Baseline Savings Target (**BST**) savings), the Government's delivery performance, and topical matters relating to the portfolio.

You will receive additional material from the Department to help prepare you for the hearing.

Six Budget 2024 Factsheets as well as a Budget 2024 Vote: Conservation key messages and question and answer sheet are provided in this tranche of advice. The Factsheets are:

- Budget 2024 Factsheet 1 - Overview of budget and vote changes
- Budget 2024 Factsheet 2 - Technical Operating Budget 2024 changes
- Budget 2024 Factsheet 3 - Savings Initiatives - Programme Savings
- Budget 2024 Factsheet 4 - Savings Initiatives - Savings from Enabling Functions
- Budget 2024 Factsheet 5 - Savings Initiatives - Savings from External Services
- Budget 2024 Factsheet 6 - Third-Party Revenue

Baseline Reduction Target

Like all government agencies, the Department of Conservation (**DOC**) has been directed by Government to find savings. DOC's ongoing Baseline Savings Target (**BST**) is \$31.341 million per annum from 2024/25. The BST savings are 6.5% of the DOC baseline that was eligible for savings.

The Department of Conservation's Budget 2024 savings initiatives fit into three categories: programme savings; savings from enabling functions; and savings from external services.

DOC was also asked to make additional one-off savings of \$8.930 million in 2024/25 (comprised of \$6.930 million for the Kermadec Ocean Sanctuary and \$2 million from Jobs for Nature).

Wider Cost pressures

On top of Government's BST, DOC has significant non-discretionary and demand-driven cost pressures. This includes contracted pay adjustments and general price increases. The cost pressures equate to \$6.9 million in 2024/25; and an estimated additional s.9(2)(i) 2025/26.

The cost pressures DOC faces can be met for two years from the savings proposed. The Department faces ongoing cost pressures that will need to be met beyond 2025/26.

In total, the BST and DOC's cost pressures combined mean that DOC has total savings of \$47.2 million in 2024/25 and anticipates total savings of s.9(2)(i) in 2025/26.

Budget 2024 initiatives

There are technical operational budget changes being made to the budget for the Department totalling \$42 million (refer to Factsheet 2)

DOC's Budget 2024 savings (refer to Factsheets 3 - 5) include:

- \$13.360 million per annum ongoing reduction in the Jobs for Nature programme. There is an additional one-off saving of \$2.000 million in 2024/25. This Jobs for Nature funding had not yet been allocated to any projects therefore no work needs to be stopped, however the ability to top-up existing projects in 2024/25 and 2025/26 will no longer be available.
- \$3.089 million ongoing reduction in the Kermadec Ocean Sanctuary programme and an additional one-off saving of \$6.930 million in 2024/25. In March 2024, the Government announced plans to stop work on the Kermadec Ocean Sanctuary Bill. This means no funding is required as the work has stopped.
- \$2.000 million ongoing reduction in the Contaminated Sites Programme. This means that setting up the Contaminated Sites Programme will be slowed down. Affected sites will continue to be managed as they are.
- \$11.257 million ongoing reduction in contractors, consultants, and back-office functions, which are parts of DOC that support frontline delivery, such as fleet, property, procurement and operational planning.
- \$1.635 million ongoing reduction in the Legal, Regulatory Services and Strategic Partnerships functions.

The Department had an FTE count on 30 April 2024 of 2,706 (includes permanent and fixed term staff). Budget savings from the BST and cost pressures will mean that 257 positions will be disestablished as part of recent cost savings. 114 of these are vacant. 133 new positions are being established, which will mean a reduction of 124 positions overall.

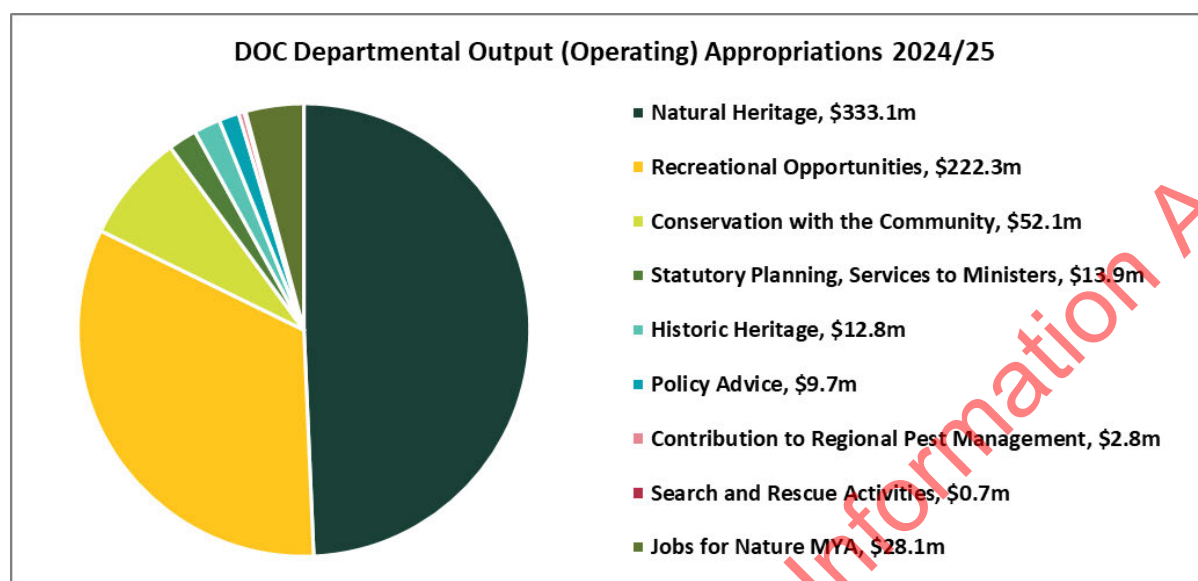
The Department is disestablishing positions across a range of functions that support frontline delivery. There are changes to roles in the Biodiversity, Organisation Support, Public Affairs, Regional and National Operations Planning teams, Policy and Regulatory Services and in the Director General's Office. None of the disestablished roles are frontline ranger positions.

DOC's 2024/25 departmental appropriations

- 83% of DOC's annual funding comes from the Crown, with the remainder coming from third parties (7% from the International Visitor Levy, 3% from concessions fees, and 7% from the visitor network and other sources).
- DOC's departmental output appropriations have decreased by \$48 million, from \$723 million in 2023/24 to \$675 million in 2024/25.
- The reduction in 2024/25 appropriations is driven by a \$52 million decrease in the time-limited Jobs for Nature appropriation (with the programme set to finish by June 2026) and a decrease of \$37 million due to the BST.
- These decreases are partially offset by a \$41 million increase in baseline that was provided at Budget 2022. The main initiatives funded were biodiversity initiatives \$21 million, cost pressure (inflation) relief \$5 million and meeting wage pressures \$10 million.
- The Department is undertaking a 'Transformation' programme and financial sustainability review to make it as efficient and effective as possible. It will also provide the Government with options on what conservation outcomes it wishes to purchase within its budgets. Given future cost pressures, difficult choices and trade-

offs will need to be made, alongside the need to generate and attract growth in third-party revenue for conservation.

The following chart shows DOC's departmental appropriations in 2024/25:



DOC's two biggest departmental outputs, which account for approximately 88% of departmental expenditure, are:

- Management of Natural Heritage, for maintaining, restoring and protecting ecosystems, habitats and species across public conservation lands and waters (over 30% of NZ's area).
- 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.

DOC also delivers other departmental outputs including:

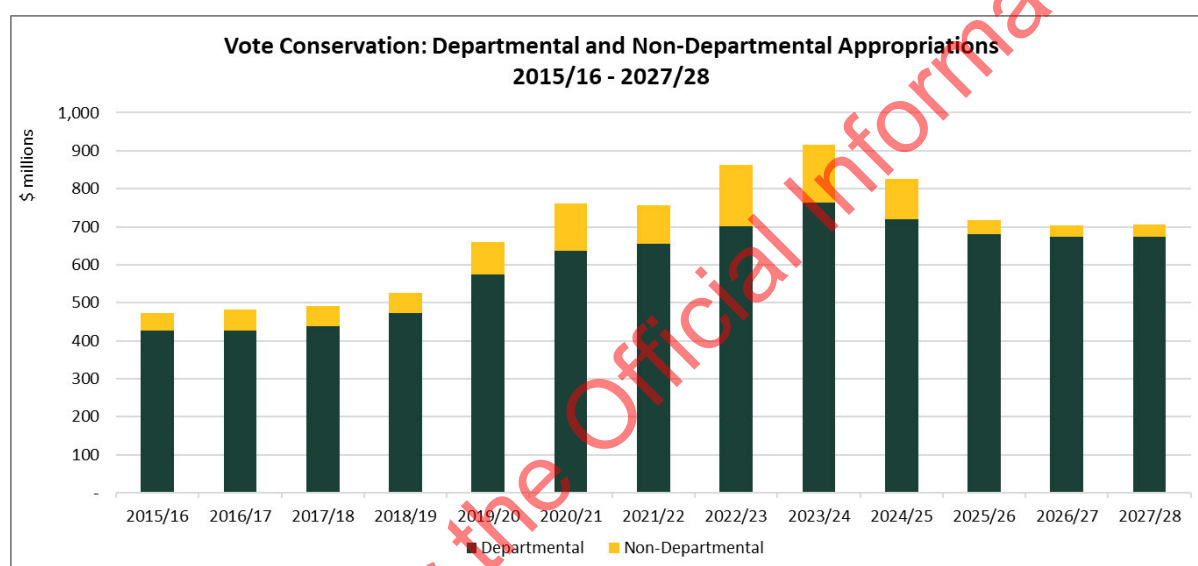
- Conservation with the Community, to improve public awareness and educational services, and grow conservation through building partnerships with others, including iwi, councils, community groups, businesses, and individuals.
- Statutory Planning and Services to Ministers and Statutory Bodies, to provide policy advice and other services to Ministers and other parties.
- Policy Advice.
- Management of Historic Heritage, to protect and conserve New Zealand's 300 actively conserved heritage sites.
- Crown Contribution to Regional Pest Management, to help control weeds and animal pests on lands administered by the Department to meet statutory obligations.

Trend in DOC's appropriations

Vote Conservation has two main components:

- Departmental spending, which includes DOC's operating and capital budgets (\$675 million and \$43 million respectively in 2024/25); and
- Non-departmental spending, which DOC spends on behalf of the Crown, e.g. grants to community conservation funds and the protection of biodiversity on private and Māori land (\$107 million in 2024/25).

DOC is an operational agency and undertakes a range of activities and functions itself with DOC staff. This means, relative to other agencies, DOC has a high proportion of departmental spending relative to non-departmental.



Appropriation Amounts per Graph - \$m	2023/24	2024/25	2025/26	2026/27	2027/28
Departmental Opex	723.37	675.43	632.31	627.15	627.66
Departmental Capex	39.61	43.09	48.33	45.33	45.33
Total Departmental	762.97	718.52	680.64	672.48	672.99
Non Departmental	153.91	107.41	35.80	32.04	32.04
Total Appropriations	916.89	825.93	716.44	704.52	705.03

The graph above shows how DOC's departmental appropriations (including operating and capital) and non-departmental appropriations (including operating and capital) have changed over time. Appropriations before 2024/25 are from the supplementary estimates for each financial year. Appropriations from 2024/25 onwards are from the Main Estimates for 2024/25 and are subject to change pending future budgets and baseline adjustments.

The increases in departmental and non-departmental appropriations since 2019/20 have been driven by temporary funding increases from the COVID Recovery and Relief Funds received at Budget 2020 including Jobs for Nature funding which was time-bound, and ongoing funding provided at Budget 2022.

The decline in non-departmental appropriations between 2023/24 and 2025/26 is largely due to the ending of funding for the Jobs for Nature programme.

The following initiatives were included at each Budget (the dollar amounts refer to the first four years of departmental operating funding only):

Budget 2015 Save Our Iconic Kiwi (\$11.2m) Budget 2015 total (\$11.2m)	Budget 2022 Implementing the Aotearoa New Zealand Biodiversity Strategy 2020: Collective delivery of the Predator Free 2050 Strategy (\$61.6m) Addressing inflationary and wage pressures (\$53.7m) Fit for purpose recreation assets (\$32.4m) Implementing the Aotearoa New Zealand Biodiversity Strategy: Ramping up deer management and goat control (\$30.0m) Legislative and regulatory compliance (\$28.0m) Maintaining Tiakina Nga Manu Programme Levels (\$26.9m) Corporate Property – Remediation and Maintenance of Residential and Commercial Properties and Associated Infrastructure (\$25.0m) Protecting our cultural heritage (\$13.2m) Implementation of marine protection and localised management actions (\$12.0m) Reducing extinction risk for key flagship marine species (\$7.1m) Passenger Vehicle Electrification Project (\$5.0m) Whakapapa 3 Waters Infrastructure – Compliance and Asset Management (\$4.1m) Cyclone Dovi Recovery (\$2.5m) Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand’s Future Carbon Goals (\$3.4m) Budget 2022 total (\$304.9m)
Budget 2016 Battle for our Birds (\$20.7m) Funding for Game Animal Council (\$0.6m) Budget 2016 total (\$21.3m)	Budget 2023 Public Sector Pay Adjustment – Vote Conservation Remuneration Cost Pressure (\$14.0m) Addressing damage to Conservation sites and assets caused by the 2023 North Island Weather Events (\$9.1m) Budget 2023 total (\$23.1m)
Budget 2017 Tourism Infrastructure - Maintenance (\$33.1m) Tourism Growth Initiative - New Walks (\$11.5m) Battle for Our Birds (\$21.3m) Port Hill fires (\$4.8m) Marine Protection and Development (\$0.8m) Regional Growth Programme (\$0.4m) Budget 2017 total (\$71.9m)	Budget 2024 Reduction in Contractors, Consultants and Back Office Functions (-\$45.0m) Reduction in Legal, Regulatory Services and Strategic Partnerships functions (-\$6.5m) Return of funding - Contaminated Sites Programme (-\$8.0m) Return of funding for the Kermadec Ocean Sanctuary (-\$19.3m) Return of funding for the Jobs for Nature Programme (-\$55.4m) Budget 2024 total (-\$134.2m)
Budget 2018 Predator control (\$81.3m) Biodiversity Contingency (\$76.0m) Organisational capability (\$16.2m) Visitor management (\$5.5m) Biodiversity in Mackenzie Basin (\$2.6m) Budget 2018 total (\$181.6m)	
Budget 2019 International Visitor Levy (\$106.2m) Improving Safety and Security (\$10.7m) Provincial Growth Fund (\$0.3m) Budget 2019 total (\$117.2m)	
Budget 2020 Jobs for Nature: - Kaimahi for Nature (\$200.0m) - Restoring Nature (\$154.3m) - Protecting Nature (\$147.5m) Remuneration Cost Pressures (\$15.2m) Ngai Tai Supreme Court Decisions (\$7.9m) Southern South Island Flood Recovery contingency (\$4.0m) Budget 2020 total (\$528.9m)	
Budget 2021 Preserving Concession Funding (\$10.0m) Budget 2021 total (\$10.0m)	

Revenue

The Department of Conservation generated approximately \$100 million of Crown revenue and brought in approximately \$59 million from third parties as non-Crown revenue in 2023/34.

Factsheet 6 provides more detail on this revenue. While the third party revenue is not directly related to Budget 2024, the information is relevant to the Estimates hearing.

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Budget 2024 Factsheet 2

Technical Operating Budget Initiatives for Vote: Conservation

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Summary of 2024 Technical Operating Budget Initiatives for Vote: Conservation

Three Technical Operating Budget Initiatives for Vote: Conservation have been agreed by Cabinet.

Title	Description
Reallocation of funding to progress ministerial priorities from the Milford Opportunities Project	Operating funding of \$1.300 million is being reallocated from 2023/24 to 2024/25 to fund policy development and implementation planning for the Milford Opportunities Project. This includes the costs to DOC of developing advice to Cabinet on options and the business case.
Shared Approach to Back-Office Transformation	This is a funding transfer of \$200,000 per annum for 10 years from 2024/25 to 2033/34 to the Department of Internal affairs to fund the shared approach to Back-Office Transformation being led by the Government Chief Digital Officer. You received a letter from Hon Judith Collins on 1 February 2024 explaining this initiative.
Transfer of Dolomite Point Experience Centre and ancillary assets to third-parties	This initiative enables the disposal of up to \$40.500 million of Crown assets following the completion of the Dolomite Point Redevelopment Project. The transfer of assets was agreed by Cabinet under the previous Government (DEV-18-MIN-0266 refers). Dolomite Point is at Punakaiki on the West Coast of the South Island. The project delivers a multi-media experience centre, upgraded parking, EV charging, toilets, walkways, viewing points, pedestrian/cycle access, general safety improvements, and new power and water services. DOC is co-locating a visitor centre in the new building. The project is substantially complete. The experience centre is due to formally open in June 2024. The project was supported by the Provincial Growth Fund. It is a partnership between the Crown, DOC and Te Rūnunga o Ngāti Waewae. The ownership of the Dolomite Point Experience Centre and ancillary assets will be transferred to Ngāti Waewae, NZTA/Waka Kotahi and Electronet, a power company.

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Budget 2024 Factsheet 3

Savings from Programmes

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Programme savings

Ongoing programme savings total **\$18.449 million**. The savings are from:

- **Ending funding for the Kermadec Ocean Sanctuary (\$3.089m)**

A \$3.089 million ongoing reduction has been made to the Kermadec Ocean Sanctuary Programme and an additional one-off saving of \$6.930 million in 2024/25.

The funding for the Kermadec Ocean Sanctuary was to enable the establishment of a sanctuary if the Kermadec Ocean Sanctuary Bill was passed. The Government withdrew the Bill earlier in 2024. This means no funding is required.

- **Reducing the scale of investigation and remediation of contaminated sites (\$2.000m)**

A \$2.000 million ongoing reduction has been made to the Contaminated Sites Programme.

Public conservation land has a significant number of “legacy” contaminated sites. These include areas of acid-mine drainage, abandoned industrial processing sites and buildings, and former sheep-dips.

Implementation of the Contaminated Sites Programme will be slowed down because of the savings. Affected sites will continue to be managed as they are, for public and staff safety, which may require public access to be stopped to some sites.

- **Cancelling funding for uncommitted Jobs for Nature projects (\$13.360m)**

A \$13.360 million ongoing reduction has been made to the time-limited Jobs for Nature Programme. There is an additional one-off saving of \$2.000 million in 2024/25.

Jobs for Nature funding is time limited. It was allocated to Department of Conservation to the end of June 2026.

The funding being reduced from Jobs for Nature had not yet been allocated to any projects, therefore no work needs to be stopped. However, the ability to top-up existing projects in 2024/25 and 2025/26 will no longer be available.

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Budget 2024 Factsheet 4

Savings from Enabling Functions

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Savings from enabling functions - total \$11.257 million.

- The savings are achieved through reducing contractors, consultants and by reducing back-office functions. This will impact support for DOC frontline delivery, such as fleet, property, procurement and operational planning, and other services.
- The savings will impact how the Department of Conservation delivers its work, including:

- **Disestablishment of the social science function and reduction in Geographic Information Systems (GIS) delivery.**

The geographic information systems savings will reduce levels of service to the rest of the Department, including to teams delivering frontline services.

The Department will no longer have a dedicated social science function, and any critical social science research required will need to be sourced externally.

- **Reduced contracted financial advice and accounts support for information technology (IT) systems applications and products.**

These savings are likely to reduce service to users of the departmental finance system when they seek support to resolve user-interface issues that they encounter.

- **Reduced operations planning support.**

These savings will reduce planning and scheduling capacity for front-line work and will require us to work differently.

- **Closure of the Sentinel A Nuku apprentice ranger programme in 2026.**

This programme trains students who whakapapa Māori to be kaitiaki rangers, giving them qualifications related to conservation.

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Budget 2024 Factsheet 5

Savings from External Services

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Savings from external services - total \$1.635 million.

- These savings are from Legal, Regulatory Services and Strategic Partnerships functions performed by the Department.
- While the reductions do not directly affect the Department's frontline staffing, they will impact how the Department of Conservation delivers its work, including:

- A small reduction of Resource Management Act 1991 advocacy staff, and an associated reduction in legal services staff and the legal contingency fund.

These positions and the legal contingency fund support engagement in policy and planning processes overseen by councils that can affect protection for conservation values and threatened species.

The reductions will scale-back DOC's engagement in interventions in processes under the resource management system and in particular under the Resource Management Act to a small extent.

- Reduced baseline funding for strategic partnerships.

This will require the Department to focus efforts on high value partnerships, in priority areas and with a lower cost to service.

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Budget 2024 Factsheet 6

Third party revenue

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This Factsheet is not directly related to Budget 2024, but is relevant to the Estimates Hearing

Crown revenue

The Department of Conservation (**DOC**) helped generate approximately \$100 million of Crown revenue from third parties in 2023/24. This includes:

- **International Visitor Conservation and Tourism Levy (\$76.9m - \$83.5m)**
Most international visitors applying for a visa or a New Zealand Electronic Travel Authority (NZeTA) to enter New Zealand are charged the International Visitor Conservation and Tourism Levy (**IVL**) at a rate of \$35.

In 2023/24 the IVL is forecasted to generate between \$76.9 million and \$83.5 million, of which \$30.5 million has been approved for conservation projects by the Minister of Conservation.

These projects include Huts of Recreational Importance (\$4.2 million), a nationwide campaign to connect New Zealanders to nature (\$5.0 million), redeveloping and maintaining walking access to Cathedral Cove (\$5.0 million) and foundational work for the eradication of pigs, cats, and mice from Auckland Island / Maukahuka (\$3.7 million).

[We have provided you with a draft press release for these projects. Your office is working with the Minister of Finance's office to confirm whether these projects can be announced alongside Budget 2024 announcements].

The Government is currently consulting on whether to increase the International Visitor Levy, by how much, and how the revenue should be invested.

- **Concession activity fees (\$23.7m)**
The Conservation Act 1987 provides the Crown with the ability to set market value rents and royalties for the commercial use of public conservation land. In 2023/24, rents and royalties for the commercial use of public conservation land (excluding mining) contributed \$23.7 million in Crown funding to conservation.

Non-Crown revenue

The Department brought in approximately \$59 million from third parties as non-Crown revenue in 2023/24. This includes:

- **Cost recovery fees, including permissions (\$3.1m), admin (\$9.8m) and mining compensation (\$0.4m)**
DOC charges for the costs of processing permissions applications, managing permissions and other administrative processes. DOC also charges for residual damage as compensation for mining on public conservation land. In 2023/24 permissions processing fees generated \$3.1 million, administrative revenue was \$9.8 million and mining compensation revenue was \$0.4 million.

- **Visitor network user fees (\$21.4m) and retail (\$2.4m)**

The Conservation Act 1987 provides DOC with the ability to implement a reasonable charge for the use of visitor network facilities (other than paths and tracks). In 2023/24 user charges generated \$21.4 million. Revenue from retail sales at visitor centres generated an additional \$2.4 million.

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