

Recreation facilities and services discounts

Policy and Standard Operating Procedures

Strategy, Investments and Pricing Team

Contents

Introduction and Context.....	1
Purpose of this Policy and SOP.....	1
Scope.....	1
Authority and Guidance to charge fees (and apply discounts).....	2
Legislation.....	2
Policy.....	2
Guidance material.....	3
Part A: Operating Policy.....	4
The Discount Structure.....	4
Incentive Discounts	4
Reward Discounts	4
Affordability Discounts.....	5
Principles for Developing Discounts.....	6
Principle 1: The purpose and role of discounts for recreation facilities.....	6
Principle 2: Transparency and fairness	6
Principle 3: Engagement with Partners and Stakeholders	7
Part B: Operating Procedures	8
Process and criteria for discounts.....	8
Including (Incentive) Discounts within price structures	8
Awarding (Reward) Discounts to Organisations.....	8
The application and approval process	8
Who qualifies.....	9
Conditions for an acceptable contribution.....	9
Contribution categories.....	13
Facilities excluded from new discounts	13
Timeframes for approval of a discount.....	14
Information to be provided for a discount approval.....	14
Assessing qualification for discounts:.....	14
Assessing the level of discount.....	14
Validation of inputs used in the valuation of the contribution	17
Term of discounts.....	18
Keeping of records	18
Extensions of time.....	18

Implementation steps for approved discounts.....	18
‘Grandfathered’ discounts under previous policy	18
Roles and Accountabilities.....	19
Review of this SOP	19
Acknowledgements.....	19
Appendix One: Discount Application Form.....	20
Appendix Two: Examples of calculating the Ratio	22
Appendix Three: Discount register.....	24
Appendix Four: Discount application processing checklist.....	25
Appendix Five: Organisations with short-term grandfathered discounts.....	27
Appendix Six: Implementing approved price discounts	30

Introduction and Context

The Department of Conservation (the Department) provides a range of outdoor recreation and tourism facilities and services on public conservation land and water (PCL). It has user charges for many of these facilities and has statutory authority to charge for the use of its facilities and services.

The revenue earned from those user charges contributes to the Department's "Recreation Opportunities Appropriation" that goes towards maintaining the visitor facilities. Accordingly, it is important that revenue is not unnecessarily given away and that any discounts offered support the Department's strategies and goals and are allocated fairly (can be justified).

The discounts offered by the Department are implemented in two ways:

- built into the pricing structure¹ (e.g. youth and seasonal rates for huts and campsites)
- offered to groups or organisations on top of the structured prices.

There are discounts that the Department currently does not specifically offer. These are discounts for quantity (or volume) of goods or services purchased², cash³, or promotions⁴.

This policy also includes a Standard Operating Procedures (SOP) combines and rationalises the Department's practice for providing discounts. These are set out in two parts: **Part A: Operating Policy**; and **Part B: Operating Procedures**.

Purpose of this Policy and SOP

The purpose of this policy and SOP is to provide guidance on how the Department allocates discounts for its recreational products and services.

The guidance in this document is intended to ensure that:

- revenue is not unnecessarily given away
- the discounts offered support the Department's strategies and goals
- discounts are allocated fairly.

Scope

This policy and SOP outlines how the Department establishes and allocates discounts to users of the Department's recreation facilities and associated services on PCL.

¹ Refer to *The Department's Recreation facilities and services pricing policy* (DOC-6396546)

² The basis for quantity discounts lies in the general notion of economies of scale (i.e. cost savings may occur such as less product or order handling). Instead, the Department provides pass options for multiple or regular facility users.

³ A cash discount is a reward for the payment of an invoice or account within a specified time or purchase in cash rather than credit.

⁴ Reduced prices to encourage the purchase of specified goods and services (i.e. use of specified facilities at specified times).

Matters **out of scope** for the policy and SOP:

- trade discounts offered to some organisations to sell and distribute its huts tickets and passes (i.e. they act as an ‘agent’ for the functions they perform in the distribution of commodities)
- staff discounts (including Trainee Rangers), retail products sold in the Visitor Centres, lifetime pass holders, specific ‘one-off’ promotions or to the “Tourism Explorer” program, ‘gifts’ or to the lifetime Backcountry Hut Pass
- discounts on concession rentals or royalties
- independent third party owned or managed facilities on PCL⁵.

Authority and Guidance to charge fees (and apply discounts)

Legislation

The pieces of legislation that contain authority for, and limits to, charging a fee (or price) for the use of facilities on PCL are the [Conservation Act 1987](#), [National Park Act 1980](#) and the [Reserves Act 1977](#).⁶

The Conservation Act (sections 60B and 60D) indicates the Director-General can waive fees at the Director-General’s discretion.

Policy

The Department has statutory documents that provide policies on charges and fees for the use of facilities on PCL. These include:

- [General Policy Conservation Act and Related Legislation](#)
- [General Policy National Parks Act](#).

In addition, the [Heritage and Visitors Strategy. He Rautaki Tāonga Tuku Iho / Manuhiri Tuāurangi](#) sets goals and outcomes for the Department’s management of visitors and recreation⁷.

Charges and fees (including discounts) should seek to assist achieving the outcomes, objectives, and policies in statutory documents such as conservation management strategies, conservation management plans, and national park management plans. For example, pricing (and discounts) can help manage visitor use and capacity issues to maintain or improve the visitor experience.

⁵ The exception to this is where there is no management agreement with the Department in place providing the Department authority to set prices.

⁶ Refer to The Department’s *Recreation facilities and services pricing policy* (DOC-6396546) for further detail on these statutes.

⁷ Refer to The Department’s *Recreation facilities and services pricing policy* (DOC-6396546) for further detail on these policies.

Guidance material

The New Zealand Treasury and Office of the Auditor General provide guidance material for setting fees, charges, and royalties in the public sector. This includes⁸:

- [*Guidelines for Setting Charges in the Public Sector*](#)
- [*Principles for Royalties on Non-mineral Natural Resources in New Zealand*](#)
- [*Charging fees for public sector goods and services*](#)
- [*A guide to the Public Finance Act.*](#)

The guidance should be used when there is statutory authority to charge third parties to cover the costs of, or generate revenue from, an activity undertaken by the government. The guidance identifies several matters that have relevance when determining whether discounts of fees are appropriate:

- overarching policy objectives are important, and the pricing/discount methodology should be able to be linked to the relevant policy
- discounts should help achieve efficient resource use and not create distortions elsewhere
- discounts should be consistent the Crown's responsibilities to those on whose behalf the resource is owned or managed (i.e. the taxpayer for the Department)
- discounts can be considered as a grant or gift and require authorisation⁹
- if discounts do not increase revenue (can be considered a subsidy) they can divert funding from other priorities and thus need to demonstrate they represent high priority expenditure
- requiring proof that the discount would produce the desirable level of use that would not have occurred otherwise (e.g. access to an underused resource)
- discounts are consistently applied.

⁸ Refer to The Department's *Recreation facilities and services pricing policy* (DOC-6396546) for further detail on this guidance material.

⁹ Similarly, in the situation where a government department disposes of an asset at less than fair value authorisation is required (The Treasury. November 2019. *A Guide to the Public Finance Act.*)

Part A: Operating Policy

The Discount Structure

The review of the previous policy and SOP resulted in some simplification and rationalisation of the wide range of discounts and their conditions that had been offered under the previous version.

Discounts are applied for the following three purposes:

1. To incentivise the use of DOC's recreation facilities, and thereby encourage a connection with nature, heritage, and conservation
2. To reward the contribution of organisations towards conservation and recreation, and
3. To provide targeted affordable options that facilitate access to DOC's recreation facilities for sections of society with limited resources, to encourage connection with nature.

Incentive Discounts

Incentives are applied within existing price structures to encourage people to experience the outdoors.

Children and Youth (aged 5-17 years) receive a 50% discount on the adult prices (fees) for the Department's visitor facilities (infants remain free).

Reward Discounts

Rewards are generally available, upon application, to organisations contributing to conservation and recreation and are applied on to stated prices. These discounts can also act as an incentive for action. The level of contribution provided can differ across organisations. The discounts are present in both stated prices and agreements with organisations.

An exception to the incentive-based approach for discounts, built into the prices structure, exists for the New Zealand Alpine Club (refer Table 1 below)¹⁰.

Discounts within stated prices

Table 1 shows the reward discounts within stated prices.

¹⁰ These discounts relate to the club handing over the management and maintenance of huts to the Department and allowing public access to them. There are two agreements between NZAC and the Department.

Table 1 Reward discounts within stated prices

Discount	Product	Who
Discounts incorporated into price structure		
50%	Aspiring National Park, Serviced Alpine huts ¹¹	New Zealand Alpine Club
43%	Westland Tai Poutini National Park Serviced Alpine huts ¹²	New Zealand Alpine Club

Discounts on stated prices

A two-tier structure is used to provide recognition of the varying value of contributions made. Contributions (e.g. volunteer hours) are calculated in the form of a simple proportion, or ratio, of revenue (i.e. gross revenue of organisation) and discounts awarded accordingly, as shown in Table 2.

There is a threshold for eligibility, which is set at a minimum contribution value of 5,000 hours volunteer work or its equivalent in dollar terms¹³. If this threshold is met, then the first tier discount of 10% is available if the ratio of 0.5 : 1 is also met. The second tier of discount of 20% is available if the ratio of 5 : 1 is met (refer to Table 2).

Table 2 Discounts on stated prices

Discount		Product	Who
%	Ratio		
20%	> 5:1	Backcountry hut pass OR Campsite pass (12-month only)	Organisations recognised for contributions to recreation and conservation.
10%	>0.5 :1		

Affordability Discounts

Adult Community Service card holders (means tested by Work and Income) can receive a discount of 25% discount on the adult prices (fees) for the Department's visitor facilities.

¹¹ The Management Agreement allows for but does not state a specific level of discount for the Colin Todd, French Ridge, Esquilant and Aspiring huts. The current in-built discount is 50%.

¹² The Management Agreement allows for but does not state a specific level of discount for the Centennial and Pioneer huts. The current in-built discount is 43%.

¹³ This is determined by the average annual hourly wage in current year (\$38 per hour in 2023). Applying this rate to 5,000 hours equals \$190,000.

Principles for Developing Discounts

The guiding principles for determining future discounts¹⁴ and prices are:

1. A clear purpose for the discounts
2. Transparency and fairness
3. Engagement with partners and stakeholders.

Principle 1: The purpose and role of discounts for recreation facilities

Discounts in this policy are applied based on the following three primary purposes:

1. To incentivise the use of DOC's recreation facilities, and thereby encourage a connection with nature, heritage, and conservation,
2. To reward the contribution of organisations towards conservation and recreation, and
3. To provide targeted affordable options that facilitate access to DOC's recreation facilities for sections of society with limited resources, to encourage connection with nature.

These purposes are a consolidation and rationalisation of the general purposes that were applied in practice prior to this policy.

Incentives are largely applied within the price structure to encourage youth to experience the outdoors. This links to the Department's stretch goal to connect New Zealanders to the outdoors. Where there is a connection made it can result in a life-long association that is passed down the generations.

Rewards are largely offered to organisations contributing to conservation and recreation (e.g. through volunteer hours) and apply to stated prices. These discounts can also act as an incentive for action. The level of value provided by organisations can differ.

The rewards recognise the following elements:

- provision of public goods, such as search and rescue, delivered by organisations like Police, LandSAR and NZ Defence
- provision and availability of private recreation assets to the Department¹⁵ for public use (e.g. NZAC)
- rewarding organisations such as our commercial partners or recreational clubs for their contributions to recreation and conservation.

Principle 2: Transparency and fairness

The principle of transparency and fairness is an important feature for a discount policy on government fees or user charges. This is because the revenue earned from

¹⁴ This is to provide guidance for setting prices and considering requests for discounts during the period before the next review (first principles approach) of this SOP.

¹⁵ The Department may manage these facilities on behalf of the asset owners.

the user charges is Crown Revenue (i.e. it belongs to the Crown and not the Department) and needs to be consistent with the Crown's responsibilities. Accordingly, it is important that revenue is not unnecessarily given away (i.e. revenue leakage) and the discounts offered support the Department's strategies and goals and are allocated fairly (can be justified).

The discount structure is set out in two components – in-built discounts and discounts on the prices. Each of these two components have a different purpose.

The in-built discounts are largely for price setting, whereas the price discounts are specifically allocated on a rewards basis. Fundamental to achieving fairness and transparency is a clearly communicated process to determine the level of discount and to allocate the discount to a third party. This SOP sets out such a structure and process.

Principle 3: Engagement with Partners and Stakeholders

Where practicable, discounts on prices or fees for the use of its facilities should be established with stakeholder engagement and in a consistent manner.

As a government department, transparency, accountability, and documentation are important for demonstrating how the prices for the use of its recreational facilities and services are determined. Accordingly, potential, and actual facility users should be able to provide input to, or feedback on discounts available and how they are determined. Accordingly, that information should be available through engagement or consultation.

This principle gives effect to having an opportunity for partners and stakeholders to contribute to the development of processes and criteria to allocate discounts to which they can aspire and access. A first principles review of the discounts should involve partner and stakeholder engagement to fulfil this principle.

Part B: Operating Procedures

Process and criteria for discounts

This section of the policy and SOP sets out the process to determine and allocate discounts. It is giving effect to Principle 2. It covers:

- guidance for discounts within the price structure
- awarding discounts to organisations.

Including (Incentive) Discounts within price structures

The inclusion of discounts built into prices is to provide principles and discount levels to guide internal price setting reviews to ensure consistency in the provision of discounts. This process is essentially analytical and may involve partner and stakeholder engagement as appropriate.

The provision of discounts to incentivise access to recreation facilities should be based primarily on achieving the Department's stretch goal of connecting people with the outdoors.

There is currently no specific or 'correct' level of discount that should be provided. The current discount levels in this policy were developed by considering similar types of discounts offered by other organisations (both public and the private sectors).

The identification of potential discounts also considered factors such as:

- under representation in the Department's key user groups
- affordability of the user charges (or prices)
- benefits to society (e.g. health and well-being through engagement with nature, heritage, and conservation)

The analytical process also involves balancing several factors such as:

- increase in use of the facility
- loss or increase in revenue (which can affect budgets for other work areas).

Awarding (Reward) Discounts to Organisations

Awarding price discounts to organisations to reward contributions requires a more detailed process. This is because it allocates discounts to specific organisations, whereas in-built discounts target segments of society (e.g. age).

This process applies to organisations seeking new discounts or where agreements with the Department involve the provision of discounts on recreation facilities.

The application and approval process

Applications for discounts require the completion of a form (refer to Appendix One: Discount Application Form) and its submission to the Strategy, Investments and Pricing Team.

The preparation of an application is expected to be supported and coordinated by a sponsor within the Department (e.g. Business Partnership team). The application must be submitted by the Department sponsor.

The Director-General of the Department reserves the right to approve or decline applications.

The key contact for the application process is the Manager - Strategy, Investment, and Pricing.

The key components of the application process are:

- qualifying for a discount
- conditions for an acceptable contribution
- contribution categories
- approval timeframes
- information required
- assessing the level of discount
- validating the external inputs
- keeping records.

Who qualifies

The discount is for an organisation's members (or staff) in reward for the organisation's contribution to conservation or recreation in New Zealand. The organisation must be a bona fide organisation/legal entity, for example, an incorporated society or trust. The organisation must provide the Department with a membership/staff list, or an alternative approach, to enable the validation of the members that seek to access the discount.

For an organisation to qualify for a discount, its contributions to conservation or recreation in New Zealand must not be its 'core business'. The organisation must not receive direct financial or commercial benefit from recreation or conservation related activities related the justification for the discount it seeks. For example, a commercial guiding company charging a fee to guide cannot claim that guiding is contributing to recreation by taking people hiking. However, this stipulation does not include a not-for-profit organisation such as a charitable trust, set up for the sole purpose of promoting, encouraging, or undertaking recreation and conservation in New Zealand and does not charge fees.

For the purposes of clarity the incentive discounts for child and youth are not included in this allocation process.

Conditions for an acceptable contribution

The contributions must be validated and following conditions apply.

1. A request for the approval of a discount (including validation of the contribution) is to be sought via an application to the Department (refer Appendix One: Discount Application Form).
2. To qualify for a discount the contribution must:

- be for conservation or recreation purposes (refer to contribution categories below), the contribution does not necessarily need to be on PCL
 - be arranged through an organisation and carried out on behalf of it (separate individual contributions are not valid)
 - comply with the Department’s regulations and legislation (e.g. National Park Management Plans)
 - not be inconsistent with the Department’s [purpose and stretch goals](#) and priorities, and
 - be undertaken in a safe and responsible manner, with appropriate health and safety procedures in place for any volunteer work
 - be a **minimum of 5,000 volunteer hours per annum** and/or a monetary equivalent contribution¹⁶ (these can be combined) in the relevant period. This is to provide a lower limit to minimise administrative burden on the Department
 - a discount will not be granted to an organisation where the contribution has already been recognised with the discount on the concession Annual Activity Fee.
3. Any promotional activity must be approved in advance by the Department.
 4. It is the responsibility of the applicant to quantify and provide evidence of the contribution. This must include evidence of the value of the activity (refer to the section on validation of inputs). The formula to calculate the value of the contribution is set out in the section [Assessing the level of discount](#) and in [Appendix Two: Examples of calculating the Ratio](#)

The following are three fictional examples of how a Contribution Ratio (refer to the section **Assessing qualification for discounts**:

This step involves checking the organisation undertakes work contributing to recreation and conservation and the level of contribution exceeds the quantity threshold (refer to section **Conditions for an acceptable contribution**). Note the minimum of 5,000 volunteer hours or monetary equivalent threshold.

Assessing the level of discount in the main body of the SOP) would be calculated:

An organisation contributes to conservation as follows:

Organisation A

Contribution	Effort	Monetary Basis	Value
Volunteer at a campsite	5,200 hrs	Hrs x\$38	\$197,600
Volunteer trapping and planting	2,000 hrs	Hrs x \$38	\$76,000
Financial donation to a conservation charity	Received	Money	\$10,000

¹⁶ 5,000 hours x average annual hourly salary for the latest available year.

Ad space in the organisation's magazine	Organisations standard fee	Quote	\$3,000
Transporting endangered species	Receipted	Expense	\$900
Total			\$287,500

Organisation's Gross Revenue is \$108,500

Assessment of discount value

$$CI = 287,500 / 108,500 = 2.7:1$$

Minimum thresholds test. The contribution meets the minimum contribution threshold to be awarded a discount (5,000 hours) and returns a ratio of over 0.5:1 but less than 5:1).

Allocated discounts - the organisation returns a contribution ratio of 2.7:1, making it eligible for a 10% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation A can chose which of these they prefer).

Organisation B

Contribution	Effort	Monetary Basis	Value
Volunteering trapping and planting	27,000 hrs	Hrs x\$38	\$1,026,000
Volunteering bird counts and recovery	48,750 hrs	Hrs x\$38	\$1,852,500
Total			\$2,878,500

Organisations Gross Revenue is \$408,664

Assessment of discount value

$$CI = 2,887,500 / 408,664 = 7:1$$

Minimum threshold tests. The contribution meets the minimum contribution threshold to be awarded a discount (5,000 hours) and returns a ratio of over 5:1.

Allocated discounts - the organisation returns a contribution ratio of 7:1, making it eligible for a 20% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation B can chose which of these they prefer).

Organisation C

Contribution	Effort	Monetary Basis	Value
Maintaining tracks and checking traps	500 hrs	Hrs x\$38	\$17,000x
Total			\$17,000

Organisation's Gross Revenue is \$42,500.

Assessment of discount value

$$CI = 17,000 / 95,000 = 0.4 : 1$$

Minimum thresholds test. This does not meet either the minimum 5000 contribution hours threshold, and returns a ratio below 0.5 : 1.

Allocated discounts. No discount would be allocated in this case.

5. .

Contribution categories

Contributions for recreation and conservation must be for **one or more** of the following:

- preserving and/or enhancing New Zealand’s natural and/or cultural heritage¹⁷
- furthering New Zealand’s progress towards Predator Free 2050
- restoring ecosystems, including restoration, planting, and controlling introduced pests (weeds and/or animal predators)
- restoring waterways, wetlands, or the coastal environment
- promoting and improving conservation and recreation knowledge
- supporting the development and/or maintenance of the Department’s recreation and visitor facilities (includes campsites and huts)
- working with the Department to promote the Department’s messages¹⁸.

Examples of acceptable contributions are:

- a local history group providing the volunteer labour and funds to restore a historic site on public conservation land
- community Predator Free Trapping group trapping in their backyards and running traplines in nearby council reserves or PCL
- Iwi or Hapū running a restoration project, involving planting, weed clearance and rat trapping, for a wetland on an area under *Ngā Whenua Rāhui kawenata*
- membership-based recreation organisation arranges members to volunteer as campsite hosts at the Department’s campsites or hut wardens at the Department’s huts
- membership-based recreation organisation arranges members to volunteer to help maintain some of the Department’s huts¹⁹
- new migrant organisations providing editorial and advert space in their magazines for the Department, shares the Department’s content on their social media channels and/or provides the Department with a free booth at their community fairs.

Facilities excluded from new discounts

Facilities owned or managed by third parties and do not carry the ‘DOC brand’ are excluded from discounts under this policy.

¹⁷ This can take place on public conservation land, private land, council owned land, multi-owner Māori land and covenanted land.

¹⁸ This requires approval from the Strategic Communications and Engagement Unit.

¹⁹ The Backcountry Trust helps with hut maintenance and some tramping clubs have maintenance agreements with the Department to maintain specified huts.

Timeframes for approval of a discount

1. Organisations must submit their applications to the Department by 31 March for those discounts to be applied the following fiscal year.
2. The Department will confirm any discount by 1 May and the discount will come into effect on 1 July.

These dates are to allow sufficient time to assess the discount application and where approved have it loaded and tested in the booking system.

Information to be provided for a discount approval

The information required is set out in the required form (Appendix One: Discount Application Form).

It will generally include:

- the proposed contribution
- validation of the information provided (i.e. evidence).

Assessing qualification for discounts:

This step involves checking the organisation undertakes work contributing to recreation and conservation and the level of contribution exceeds the quantity threshold (refer to section **Conditions for an acceptable contribution**). Note the minimum of 5,000 volunteer hours or monetary equivalent threshold.

Assessing the level of discount

Assessing the level of the discount involves three steps:

1. Calculating the value of the contribution to determine if the minimum threshold for a discount is met.
2. Calculating the Ratio.
3. Using the Ratio to identify the level of discount to allocate.

The applicant (and Department sponsoring Unit) will initially prepare the assessment (refer to the Form in Appendix One: Discount Application Form) and will be assessed by the Strategy, Investments and Pricing Team (refer to checklist in Appendix Four: Discount application processing checklist).

Calculating the Ratio

The formula for calculating the Ratio is:

$$\text{Ratio} = \text{Contribution (\$)} / \text{Organisations Gross Revenue (\$)}$$

1. **The valuation of the contribution** is in monetary terms and is made up of the aggregated value of items such as:

Table 3 Contribution Valuations

Contribution	Valuation method
Monetary donations	The actual monetary amount donated. A receipt is evidence.
In-kind service (e.g. transport or advertising space)	The actual monetary amount expended or commissioned or a quote to provide the service if provided by the applicant organisation.
Voluntary labour hours	Multiplied by the average national hourly wage for the last full financial year, sourced from Statistic NZ.
Monetary value of a NFP organisation's contribution to a direct conservation or recreation output	The 'net loss' from producing an output (e.g. a journal), where there is revenue (selling or charge contributors) from that output. This 'loss' accounts for any volunteer time in producing the output.

Refer to [Appendix Two: Examples of calculating the Ratio](#)

The following are three fictional examples of how a Contribution Ratio (refer to the section **Assessing qualification for discounts**:

This step involves checking the organisation undertakes work contributing to recreation and conservation and the level of contribution exceeds the quantity threshold (refer to section **Conditions for an acceptable contribution**). Note the minimum of 5,000 volunteer hours or monetary equivalent threshold.

Assessing the level of discount in the main body of the SOP) would be calculated:

An organisation contributes to conservation as follows:

Organisation A

Contribution	Effort	Monetary Basis	Value
Volunteer at a campsite	5,200 hrs	Hrs x\$38	\$197,600
Volunteer trapping and planting	2,000 hrs	Hrs x \$38	\$76,000
Financial donation to a conservation charity	Receipted	Money	\$10,000
Ad space in the organisation's magazine	Organisations standard fee	Quote	\$3,000
Transporting endangered species	Receipted	Expense	\$900
Total			\$287,500

Organisation's Gross Revenue is \$108,500

Assessment of discount value

$$CI = 287,500 / 108,500 = 2.7:1$$

Minimum thresholds test. The contribution meets the minimum contribution threshold to be awarded a discount (5,000 hours) and returns a ratio of over 0.5:1 but less than 5:1).

Allocated discounts - the organisation returns a contribution ratio of 2.7:1, making it eligible for a 10% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation A can chose which of these they prefer).

Organisation B

Contribution	Effort	Monetary Basis	Value
Volunteering trapping and planting	27,000 hrs	Hrs x\$38	\$1,026,000
Volunteering bird counts and recovery	48,750 hrs	Hrs x\$38	\$1,852,500
Total			\$2,878,500

Organisations Gross Revenue is \$408,664

Assessment of discount value

CI = 2,887,500 / 408,664 = 7:1

Minimum threshold tests. The contribution meets the minimum contribution threshold to be awarded a discount (5,000 hours) and returns a ratio of over 5:1.

Allocated discounts - the organisation returns a contribution ratio of 7:1, making it eligible for a 20% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation B can chose which of these they prefer).

Organisation C

Contribution	Effort	Monetary Basis	Value
Maintaining tracks and checking traps	500 hrs	Hrs x\$38	\$17,000x
Total			\$17,000

Organisation's Gross Revenue is \$42.500.

Assessment of discount value

CI = 17,000 / 95,000 = 0.4 : 1

Minimum thresholds test. This does not meet either the minimum 5000 contribution hours threshold, and returns a ratio below 0.5 : 1.

Allocated discounts. No discount would be allocated in this case.

for examples of how to calculate the Ratio.

The contribution should be based on the organisation's previous years actual contribution.

If an organisation does not have a previous year's contribution documented or accepted by the Department:

- for a single year discount - it will need to be estimated and validated by the Department if it seeks a discount for the next year, or
 - for a multi-year agreement, the estimated contribution will need to be validated by the Department at the end of the first year for the discount to continue²⁰.
2. **The Gross Revenue** is the unadjusted revenue of the organisation that can include membership fees, sponsorships, and grants as well as sales, etc. from commercial organisations. Its purpose is to normalise for the size or value of the organisations involved (i.e. contributing organisations differ significantly in size).

Using the Ratio to determine the level of discount to be allocated

The Ratio is a guide only and there may be some elements of an organisation's contribution that cannot be, or requires excessive work to be, determined. It is expected that the more qualitative elements would help determine the discount at the margins of the tiers. It is expected that all organisations should be able to readily quantify and monetarise their contributions based on the methodology in this policy.

The Ratio should be viewed as a guide only as there will be some contributions that cannot be calculated (or would take too much effort).

Validation of inputs used in the valuation of the contribution

1. **Gross Revenue and expenses** must be certified by the organisation's accountants or sourced directly from the organisation's annual report (in the space allocated on the application form).
2. The **actual hours** contributed from the previous year must be certified by the Chairperson/ Chief Executive/ Chief Operating Officer, or equivalent, for the organisation (in the space allocated on the application form).
3. Where the **validation is for a first-time applicant**, the actual data must be supplied before 1 June²¹ of the year the discount is applied²². This is to confirm the discount for the next financial year or for the term of an agreement before the beginning of the next financial year. It is recognised that this period may not be a full year and would accept a 'pro-rata' valuation for the period over which the discount applied²³. Applicants should be reminded of validation process by 1 May. The template to assist with validation is [DOC-7054349](#).

²⁰ Refer to the section "Validation of inputs used in the valuation of the contribution".

²¹ Note: remind the applicant by 30 April if validation information is required.

²² Note: if the validation information is not supplied by the 1 June the discounts will expire.

²³ Recognises that in some cases a contribution may not be in effect for a full year.

4. Where there is a significant (>15%)²⁴ difference between the actual contribution and that applied for (estimated) the discount level may be adjusted in the following years to reflect actual contribution. This applies to both single year or multi-year agreements.
5. The Department reserves the right to audit recipients of a discount to check the information provided and ongoing contribution. Where there is a difference between actual and estimated contributions point 4. above applies.

Term of discounts

The term of the discount shall be for:

- a singular financial year (for a ‘one-off’ discount), or
- a longer term, not exceeding five years, as agreed between the parties or
- the term expressed in an organisation’s agreement with the Department to contribute to conservation and recreation.

Keeping of records

A centralised register must be kept recording the discounts granted and to whom they have been granted. The register template is set out in Appendix Three.

Extensions of time

Any extension of time for applying for a discount or providing information to validate a discount is at the sole discretion of Director Heritage and Visitors.

Implementation steps for approved discounts

Refer to Appendix Six: Implementing approved price discounts for the steps to take once a discount has been approved under this Policy. These matters cover:

- Advising a discount has been approved and updating records
- Reminding applicant to provide validated information
- Steps after validation of discounts
- Expiring discounts.

‘Grandfathered’ discounts under previous policy

This policy will become operative on 1 July 2024.

For any organisations with ‘grandfathered’ discounts (refer to [Appendix Five](#)) under the previous policy will need to apply by 30 April 2024 so those applications can be processed and approved/declined before the policy becomes operative.

This is a transitional provision that has special time limited application timeframes and will expire on 1 July 2024.

²⁴ Where a contribution involves a ‘pro-rata’ adjustment because a full year of data cannot be obtained, the 15% should be based on a pro-rata for both actual and estimated contributions.

Roles and Accountabilities

The key roles and accountabilities for this policy are as follows:

1. The Director, Heritage and Visitors is accountable for:
 - the preparation and review of this policy and SOP and all price and discount schedules
 - administering this SOP –
 - assessing and approving/declining applications for discounts for specific organisations
 - maintaining the centralised register for discounts granted.
2. The Deputy Director General, Biodiversity, Heritage and Visitors is accountable for approving this SOP (including updates from reviews).

Review of this SOP

This policy and SOP will be reviewed on a 3-yearly cycle, so it remains relevant to the environment within which the Department operates and provides its facilities.

The 3-year cycle will not prevent an earlier review if significant issues arise (e.g. a legislative change) that substantially alter the guidance this policy provides. If the legislation is applicable to pricing changes or discounts, then this policy will be reviewed within 6 months of the enactment of that legislation/changes.

Acknowledgements

- This policy was developed with valuable input from:
 - external stakeholders and partners
 - DOC internal teams including:
 - Booking Services team
 - Strategic Communications and Engagement team
 - Strategic Finance team
 - Regional Operations (incl Visitor Centre Supervisors)
 - Tourism and Economic Development Policy team
 - Treaty Relationships unit
 - Partnerships (Team 1) (from Public Affairs unit).

Appendix One: Discount Application Form

[Note: replace the words in blue with information for this application]

Recreation Facilities Discount Application Form			
Organisation name	[name]		
Year(s) the discount is apply	[year]		
Contact for the application	[name and phone number]		
Description of Organisation [what the organisation does, its revenue sources (sales, donations, grants etc), for profit or not for profit etc]			
Legal status of organisation [e.g. Incorporated Society, dates of incorporation, registered number, link to website etc...]			
Description of contribution [this should briefly explain the contributions below and what contributions cannot be monetised]			
Calculation of Contribution			
Contribution	Effort	Monetary Basis	Value (\$)
[Name - e.g. trapping]	[# of hours]	[hourly rate]	[\$XXXXXX]
[Name- e.g. advertising]	[\$]	[Expense]	[\$XXXXXX]
Total			[\$XXXXXX]
Calculation of the Contribution Ratio			
Gross Revenue of organisation (\$)	(a)		[\$XXXXXX]
Contribution (\$)	(b)		[\$XXXXXX]
Contribution Ratio	[= (b)/(a)]		[XXXXXX]

Validation of Contribution		
Information	Value	Certification (signatures)
Gross Revenue	[\$XXXXXX]	[Name/position/date]
Expenses	[\$XXXXXX]	[Name/position/date]
Volunteer hours	[XXX]	[Name/position/date]
[Other]	[XXX]	[Name/position/date]
Non-monetarised contributions (if any)		
<i>[this should briefly explain what the contributions are and why they should count towards a discount level]</i>		

Product (refer to Error! Reference source not found. in the SOP)	Requested discount
Backcountry Hut Passes	[based on calculated Ratio]
OR	
Campsite Passes	[based on calculated Ratio]

Applicant signature:
Date:

Use by the Department only		
Approved/declined by:	[Name]	
	Director of Heritage and Visitors	Signature Date

Appendix Two: Examples of calculating the Ratio

The following are three fictional examples of how a Contribution Ratio (refer to the section **Assessing qualification for discounts**):

This step involves checking the organisation undertakes work contributing to recreation and conservation and the level of contribution exceeds the quantity threshold (refer to section **Conditions for an acceptable contribution**). Note the minimum of 5,000 volunteer hours or monetary equivalent threshold.

Assessing the level of discount in the main body of the SOP) would be calculated:

An organisation contributes to conservation as follows²⁵:

Organisation A

Contribution	Effort	Monetary Basis	Value
Volunteer at a campsite	5,200 hrs	Hrs x \$38 ²⁶	\$197,600
Volunteer trapping and planting	2,000 hrs	Hrs x \$38	\$76,000
Financial donation to a conservation charity	Receipted	Money	\$10,000
Ad space in the organisation's magazine	Organisations standard fee	Quote	\$3,000
Transporting endangered species	Receipted	Expense ²⁷	\$900
Total			\$287,500

Organisation's Gross Revenue is \$108,500

Assessment of discount value

$$CI = 287,500 / 108,500 = 2.7:1$$

Minimum thresholds test. The contribution meets the [minimum contribution threshold](#) to be awarded a discount (5,000 hours) and returns a ratio of over 0.5:1 but less than 5:1).

Allocated discounts - the organisation returns a contribution ratio of 2.7:1, making it eligible for a 10% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation A can chose which of these they prefer).

Organisation B

²⁵ Not all organisations will have all or the same contributions as this example.

²⁶ 2023 national average hourly wage

²⁷ If a transport company seeking the donation then a formal quote for at-cost delivery (market rate)

Contribution	Effort	Monetary Basis	Value
Volunteering trapping and planting	27,000 hrs	Hrs x\$38	\$1,026,000
Volunteering bird counts and recovery	48,750 hrs	Hrs x\$38	\$1,852,500
Total			\$2,878,500

Organisations Gross Revenue is \$408,664

Assessment of discount value

$$CI = 2,887,500 / 408,664 = 7:1$$

Minimum threshold tests. The contribution meets the [minimum contribution threshold](#) to be awarded a discount (5,000 hours) and returns a ratio of over 5:1.

Allocated discounts - the organisation returns a contribution ratio of 7:1, making it eligible for a 20% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation B can chose which of these they prefer).

Organisation C

Contribution	Effort	Monetary Basis	Value
Maintaining tracks and checking traps	500 hrs	Hrs x\$38	\$17,000x
Total			\$17,000

Organisation's Gross Revenue is \$42.500.

Assessment of discount value

$$CI = 17,000 / 95,000 = 0.4 : 1$$

Minimum thresholds test. This does not meet either the minimum 5000 contribution hours threshold, and returns a ratio below 0.5 : 1.

Allocated discounts. No discount would be allocated in this case.

Appendix Three: Discount register

A template for the discount register is set out below. This could be in Microsoft EXCEL so the information can be readily sorted and searched. The reference for the register is DOC-6674347.

An example entry is in blue.

Date Granted	DOC Ref (form)	Organisation	Discount Granted	Products	Expiry of discount
<i>3/10/2021</i>	<i>DOC-0085007</i>	<i>ABC Charitable Trust</i>	<i>20%</i>	<i>Backcountry hut pass</i>	<i>3/10/2022</i>

Appendix Four: Discount application processing checklist

This checklist is to assist considerations to approve or decline applications for reward based discounts on the price structure for the Department's facility user charges.

Checklist	Status
1. Has a fully completed and signed application been received by the discount sponsor? (Form is in Appendix One: Discount Application Form)	✓ or ✗
2. Has a discount already been provided on a concession Annual Activity fee for this contribution (check with PPL)?	✓ or ✗
3. Has the application been received by the Department by 31 March and Strategy, Investments and Pricing Team (SIP) by 30 April of same year?	✓ or ✗
4. Is the organisation a bona fide organisation (has information required by the SOP been included? Refer to application form)	✓ or ✗
5. Has the contributions data been validated by the correct people (as required by the SOP)? (Refer to application form).	✓ or ✗
6. Check the calculation of the Contribution Ratio. Is it correct? (refer to Section on Awarding (Reward) Discounts to Organisations and examples of calculations in Appendix Two: Examples of calculating the Ratio	✓ or ✗

The following are three fictional examples of how a Contribution Ratio (refer to the section **Assessing qualification for discounts**:
This step involves checking the organisation undertakes work contributing to recreation and conservation and the level of contribution exceeds the quantity threshold (refer to section **Conditions for an acceptable contribution**). Note the minimum of 5,000 volunteer hours or monetary equivalent threshold.

Assessing the level of discount in the main body of the SOP) would be calculated:
An organisation contributes to conservation as follows:

Organisation A

Contribution	Effort	Monetary Basis	Value
Volunteer at a campsite	5,200 hrs	Hrs x\$38	\$197,600
Volunteer trapping and planting	2,000 hrs	Hrs x \$38	\$76,000
Financial donation to a conservation charity	Receipted	Money	\$10,000

Checklist				Status
Ad space in the organisation's magazine	Organisations standard fee	Quote	\$3,000	
Transporting endangered species	Received	Expense	\$900	
Total			\$287,500	

Organisation's Gross Revenue is \$108,500

Assessment of discount value

$$CI = 287,500 / 108,500 = 2.7:1$$

Minimum thresholds test. The contribution meets the minimum contribution threshold to be awarded a discount (5,000 hours) and returns a ratio of over 0.5:1 but less than 5:1).

Allocated discounts - the organisation returns a contribution ratio of 2.7:1, making it eligible for a 10% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation A can chose which of these they prefer).

Organisation B

Contribution	Effort	Monetary Basis	Value
Volunteering trapping and planting	27,000 hrs	Hrs x\$38	\$1,026,000
Volunteering bird counts and recovery	48,750 hrs	Hrs x\$38	\$1,852,500
Total			\$2,878,500

Organisations Gross Revenue is \$408,664

Assessment of discount value

$$CI = 2,887,500 / 408,664 = 7:1$$

Minimum threshold tests. The contribution meets the minimum contribution threshold to be awarded a discount (5,000 hours) and returns a ratio of over 5:1.

Allocated discounts - the organisation returns a contribution ratio of 7:1, making it eligible for a 20% discount on either Backcountry Hut Passes OR Campsite Passes (Organisation B can chose which of these they prefer).

Organisation C

Contribution	Effort	Monetary Basis	Value
Maintaining tracks and checking traps	500 hrs	Hrs x\$38	\$17,000x
Total			\$17,000

Checklist	Status
<p>Organisation's Gross Revenue is \$42,500.</p> <p>Assessment of discount value</p> <p>CI = 17,000 / 95,000 = 0.4 : 1</p> <p><i>Minimum thresholds test.</i> This does not meet either the minimum 5000 contribution hours threshold, and returns a ratio below 0.5 : 1.</p> <p><i>Allocated discounts.</i> No discount would be allocated in this case.</p> <p>7.): <ul style="list-style-type: none"> • has correct average annual hourly wage been used? • is the mathematics correct? </p>	
<p>8. Have the requirements for the discount sought been met? This will require consideration of any non-monetarised contributions in conjunction with the Contribution Ratio.</p>	<p>✓ or ✗</p>
<p>9. If all in order (1-3. above) email to Director of HVU for signing.</p>	<p>✓ or ✗</p>
<p>10. Advise the results to the applicant and where relevant the Department unit or staff 'sponsoring' or assisting the application.</p>	<p>✓ or ✗</p>
<p>Notes:</p>	
<p>(a) Where the information included on the application form is considered deficient, requires clarification, or the discount sought is not justified by the information on the application form. Contact the applicant (and/or any Department staff or unit sponsoring or supporting the application) to resolve the issues.</p>	
<p>(b) Applications must be received by the Department no later than 31 March and/or forwarded to SIP within 5 working days. If not, then discretion exists to reject/decline the application on the basis that there is insufficient time to assess, approve and load the application into the booking system.</p>	
<p>(c) A decision is required no later than 1 May of the year the application was received.</p>	

Appendix Five: Organisations with short-term grandfathered discounts

The discounts for the following organisations expire on 30 June 2024.

Organisation	Product	Existing Discount
Federated Mountain Clubs	Great Walks if hold a BCHP BCHP (12-month)	10% 30%
Mountain Safety Council	Great Walks if hold a BCHP BCHP (12-month)	10% 30%
NZ Deerstalkers Association	Great Walks if hold a BCHP BCHP (12-month)	10% 30%
NZ Alpine Club	BCHP (12-month) NZAC huts Westland Tai Poutini National Park NZAC huts Mt Aspiring National Park	30% 43% 50%
Council of Outdoor Recreation Associations	BCHP (12-month)	30%
LandSAR	Great Walks if hold a BCHP BCHP (12-month) Facilities used for SAR training exercises	10% 30% 100%
NZ Police New Zealand Defence Force	Facilities used for SAR training exercises	100%
NZ Defence Force Cadets	Non-Great Walk huts and campsites	20%
Scouts NZ	Great Walks if own a BCHP BCHP (12-month)	10% 30%
Girl Guiding NZ	Great Walks if own a BCHP BCHP (12-month)	10% 30%
Kiwi Association of Sea Kayakers	BCHP (12-month)	30%
YHA	BCHP (12-month)	18%
Air New Zealand	Great Walks Bookable Sole Occupancy Huts BCHP (12-month)	25% 25% 25%
Fulton Hogan	Bookable Sole Occupancy Huts BCHP (12-month) Bookable campsites	10% 30% 10%
Primary and Secondary Schools Note: schools must be registered in the booking system to obtain these discounts	Huts (and associated campsites) Campsites Aspiring hut and Kids Bush campsite	20% 20% 20% 40%

Organisation	Product	Existing Discount
	Nadia Lodge	
Toyota NZ	Accommodation (huts, lodges, cottages)	10%
	12-month hut passes	30%
	Campsite pass	10%
Dulux NZ	Accommodation (huts, lodges, cottages)	15%
	Great Walks	15%
	Campsites	15%
	12-month Backcountry Hut Pass	20%
	12-month Campsite pass	20%

Note: these discounts are subject to conditions (refer to “[National recreation facilities and services fee schedule](#)”).

Appendix Six: Implementing approved price discounts

The process set out below provides more detail to assist with implementing discounts approved under this policy.

Approval of a discount

There are **5 steps** to implement the decision to approve the provision of discounts to an organisation.

1. Communicate decision to Applicant & Sponsor

- a. Include conditions (e.g. term, list of members.....)
- b. Remind applicant of the validation process at end of first year and that they must collect hours and provide SIP by mid-June
- c. Remind applicant that individuals need to set up accounts to booking system through doc website (to book facilities/purchase passes)
- d. Template example email.

Kia ora [applicant name]

The Department is pleased to inform you that your discount application has been approved for [state discounts and relevant products].

The following conditions apply:

1. The discount will be applicable for [approved term] from [start date] through to [completion date]
2. The discount is valid only for members of the [applicant]
3. [Any other relevant conditions]
4. That there is a validation process at the end of the first year (year ending June) in which you need to supply the Department a record showing the actual hours committed to validate the discount for the remainder of the term (we will require this information by 31 May 20XX)
5. Please provide a list of members who will be eligible to receive the discount.

Please note that for the individual members to receive a discount, they need to set up an account through the DOC booking website, where their discounts will be checked and included in the booking system. They will need two accounts, one for the Great Walks and another for other bookable facilities.

We will provide a user guide to assist with taking up the approved discounts in due course.

If you have any questions, please let me know.

Nga mihi

2. Advise Visitor Centres of new discount approvals

- a. Advise the National Visitor Centre Coordinator to add the discount information to the [intranet information for VC staff](#)
- b. Template example email

Kia ora [Team Lead National Visitor Centre]

I'm emailing you to advise the Visitor Centres that discounts have been approved for [successful applicant], which will be effective for [approved term] starting [start date]. See below for the details of each discount:

[Example 1: ABC Organisation]

- 20% on Campsite Pass

[plus any other matters to include – eg existing discounts replaced]

Please upload the above discount detail to the intranet page for Visitor Centres at your soonest convenience.

We are working with booking services to initiate the discount process and are also ensuring the organisations will send us a list of members who are eligible for the discount.

Do you need anything else from us in the meantime?

3. Advise Booking Services of new discounts (who and what)

- a. Template email example

Hi [Booking Services Manager]

[number of] discount applications have been approved that will be effective from [approved period dates]. Please see below for the details of each.

[example Discount 1: XXXXXXXXXXXX]

- 20% on the prices for the Backcountry Hut Pass

[plus any other matters to include – eg existing discounts replaced]

We have requested that each organisation send us a list of members so they can be validated when individuals seek the discount. We'll send it through when we get it.

We are working with the Visitor Centre coordination team to update the information on the intranet.

Do you need anything else from us to initiate the discounts?

Regards

4. Record the approved discounts in the Discounts Register ([DOC-7020968](#))

5. Prepare the factsheet on how to get the discount and provide it to the successful applicant

- a. Template factsheet (modify as relevant to each org) ([DOC-7023543](#))

Validating a new discount

The requirements for validating a new discount are set out in main body of this SOP.

The actions below set out the steps required to validate the newly approved discounts after the first year of use.

The validation should be done on an ASAP basis to provide Booking Services to make any adjustments to discount levels/products that an organisation has discounts for, or cancel discounts in accounts if that may be required.

1. Remind the applicant by 30 April if validation information is required, copy in the sponsor and relationship manager for the organisation.

- a. Template email

Kia ora [applicant]

This is a quick reminder that as part of the approval of your discounts in XXXXX, you are to provide information to the Department to validate the information provided in your application. This information is due by 31 May 20XX at the latest.

Please note that if you cannot provide this information by this date your discounts will expire.

Please contact me if you have any questions or do not think you can provide this information by this date.

Nga mihi

2. If the information required for validating the discounts is not received by 31 May (of the first year after approval), cancel the discount.

- a. Advise the relevant organisation and copy in the sponsor and relationship manager for the organisation.

Template email (forward as part of chain from first email above)

Kia ora [applicant]

Further to my email of XXX, we are writing to advise you that your discounts approved on XXXXX have expired.

Please contact me if you have any questions.

Nga mihi

- b. Advise Booking Services

Template email

Kia ora [Booking Services Manger]

We are advising you that [applicant organisation] discounts have expired because they could not provide the information to validate the information provide in their application. Please update your information accordingly.

We are updating the information with the National Visitor Centre Coordinator, so Visitor Centres are aware of this change in circumstances.

Please contact me if you have any questions.

Nga mihi

- c. Update the [information](#) for the relevant website and intranet pages and advise the National Visitor Centre Coordinator.

Template email

Kia ora [Team Lead National Visitor Centre]

I'm emailing you to advise the Visitor Centres that discounts have lapsed for [relevant organisation].

Please upload the above change to the intranet page for Visitor Centres at your soonest convenience.

We are working with booking services to cancel the discount process and are also ensuring the organisations will send us a list of members who are eligible for the discount.

Do you need anything else from us in the meantime?

Nga mihi

3. Validate the discount (if information supplied)
 - a. If the information matches that supplied with the application is correct, the discount, the discount is confirmed; advise the applicant, sponsor, and relationship manager. No further action is required.
 - b. If the information does not match the application, adjust the discount as set out in the policy to match the discount levels in the policy. Advise the applicant, sponsor and relationship manager, the National Visitor Centre Coordinator and Booking Services.
 - c. Template emails – modify as required the examples in provided earlier in this Appendix.

Check for expired discounts and expired Community Services Card

- Before the end of June each year, check the discounts register for any discounts that will expire.
- Note: the booking system functionality will check for expired Community Services Card
- If the organisation with the discount has not applied for a new discount (applications need to be with SIP by 31 March as per this policy– or as per any extension granted) then advise them, the sponsor, and the relationship manager that the discount has expired.
- Template email – modify the email to the applicant/organisation with the discount provided earlier in this Appendix.