

Recreation facilities and services discounts

Standard Operating Policy and Procedures

Commercial and Pricing Strategy Unit

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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 is Crown Revenue (i.e. it belongs to the Crown and not the Department). 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 Department currently provides price discounts to users of its facilities. There are two main underlying themes to these discounts:

- incentive (to encourage specific categories of visitors to use the Department's facilities – e.g. youth)
- reward for groups that contribute to recreation and conservation (e.g. organisations that undertake volunteer work for the Department).

In addition, the Department does offer Trade¹ discounts to some organisations that sell and distribute its huts tickets and passes.

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

- built into the pricing structure² (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)³ of goods or services purchased, cash⁴, or promotions⁵.

This Standard Operating Policy (SOP) is an interim policy and combines and rationalises the current practice for providing discounts. It has two parts: **Part A: Operating Policy**; and **Part B: Operating Procedures**.

¹ Trade discounts are usually provided to an 'agent' for the functions they perform in the distribution of commodities. For this reason, trade discounts are often called functional discounts. For example, the YHA sells the Backcountry Hut Pass and it purchases these passes at a lower price to on-sell to its members.

² Refer to *The Department's Recreation facilities and services pricing policy* (DOC-6396546)

³ 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).

⁴ 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.

⁵ Reduced prices to encourage the purchase of specified goods and services (i.e. use of specified facilities at specified times).

A further review of this SOP will be required. It should be based on a first principles perspective to address issues currently out of scope of this version.

Purpose of this SOP

The purpose of this [edition of] SOP is an interim framework to provide guidance on how the Department allocates discounts for its recreational products and services. It is interim until a full ‘first principles’ review of discounts the Department provides is complete.

The guidance is intended to ensure that revenue is not unnecessarily given away (i.e. revenue leakage), the discounts are offered to support the Department’s strategies and goals and are allocated fairly (to avoid favouritism).

Scope

This SOP relates to establishing and allocating discounts to users of the Department’s recreation facilities and associated services on PCL.

The scope of this SOP is to bring together, rationalise and standardise current practice relating to discounts provided to users of the Department’s recreation assets.

Matters out of scope for the SOP:

- it does not widen the application of current discounts, develop new discounts, or reset any discount levels⁶, cover staff discounts (incl 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.
- it does not cover discounts on concession rentals or royalties. There is separate guidance being developed for discounts on concessionaire fees.

Authority and guidance to charge fees (and apply discounts)

Legislation

The legislation that contains 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](#).⁷

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

⁶ A further review of this policy will address these issues.

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

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 Tuārangī*](#) sets goals and outcomes for the Department's management of visitors and recreation⁸.

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.

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 includes⁹:

- [*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 authorisation¹⁰

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

⁹ Refer to The Department's *Recreation facilities and services pricing policy* (DOC-6396546) for further detail on this guidance material.

¹⁰ Similarly, where 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*.)

- 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.

Part A: Operating Policy

The discount structure

The development of this SOP has required some simplification and rationalisation of the wide range of discounts and their conditions. It has also included the short-term grandfathering of the current (and documented) discounts offered to organisations. The discount option rationalised under this SOP is:

- ‘Vehicle accessible campsites’ (this category has been removed and discounts now apply to all campsites).

In addition, for consistency some current discounts (not included in the structured / stated prices) are now available to other user groups with more guidance provided on allocating those discounts (e.g. measuring value in terms of the rewards discounts). Some facilities are excluded from discounts such as third party owned or managed facilities.

Discounts are applied to:

1. achieve objectives (such as encourage use of facilities and an associated engagement with nature and heritage)
2. reward contributions to recreation and conservation.

Discount type 1: Incentivise youth to access the outdoors

Incentives are largely applied within the price structure to encourage youth to experience the outdoors. There are also incentive discounts applied to prices particularly for schools and the Youth Service Corp. The organisations receiving the incentive discount must register in the Department’s booking system to receive discount, i.e. create an account¹¹.

The incentive discounts applied to the products, price structure and to organisations cannot exceed the levels in Table 1.

¹¹ There is a form on-line for the person seeking to redeem a discount as part of creating an account. This is validated by the booking staff. For pass holders that have purchased their pass on-line the validation is automated within the booking system. Many organisations with approved discounts will still require validation manually through Visitor Centres or via the Booking Services Team.

The exception to the incentive-based approach for discounts built into the prices structure is for the New Zealand Alpine Club under two agreements with the Department (refer to **Table 2**). These discounts relate to the club handing over the management and maintenance of huts to the Department and allowing public access to them.

Table 1 Incentive discounts

Discount	Product	Who
Discounts incorporated into price structure		
100%	Great Walks huts and campsites	Youth: 17 years and younger
100%	Non-Great Walk huts	Youth: 11 years and younger
100%	Non-Great Walk campsites	Youth 4 years and younger
50%	Non-Great Walk huts	Youth: 17 - 12 years
50%	Non-Great Walk campsites	Youth 17 - 5 years
Discounts applied to prices		
100%	Great Walk campsites and Non-Great Walk huts (14 or more people are booked)	Youth Service Corp ¹²
20%	Non-Great Walk huts and campsites (4 or more people are booked)	Primary and secondary schools Youth organisations like scouts and girl guides

Discount type: 2 Membership and rewards

Rewards are largely offered to organisations contributing to conservation and recreation (e.g. volunteer hours). 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.

Discounts within stated prices

Table 2 shows the reward discounts within stated prices.

¹² A discount was provided to the Conservation Corp. However, this organisation no longer operates and therefore is not included in this SOP.

Table 2 reward discounts within stated prices

Discount	Product	Who
Discounts incorporated into price structure		
50%	Aspiring National Park, Serviced Alpine huts ¹³	New Zealand Alpine Club
43%	Westland Tai Poutini National Park Serviced Alpine huts ¹⁴	New Zealand Alpine Club

Discounts on stated prices

A three-tier discount structure is used to provide a stepped approach to recognise the varying value of contributions made. A Contribution Index (the Index) is used to guide the extent of the discount offered to organisations related to the level of contribution provided. The Index is based on the monetisation of the contributions.

The discount structure and allocation criterion (the Index) for membership and rewards contributions are in Table 3.

Table 3 Rewards discounts

Discount		Product	Who
%	Index		
30%	>0.3	Backcountry hut pass (12-month only) Campsite pass (12-month only)	Organisations recognised for contributions to recreation and conservation ¹⁵ .
20%	>0.2		
10%	>0.1		
25%	>0.3	Great Walks, huts and campsites,	
15%	>0.2		
5%	>0.1		
25%	>0.3	Sole occupancy facilities	
15%	>0.2		
5%	>0.1		

¹³ The Management Agreement allows for but does not state specific a specific level of discount for the Colin Todd, French Ridge, Esquilant and Aspiring huts. The current in-built discount is 50%.

¹⁴ 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%.

¹⁵ The organisations discounts must be approved, which enables the explicit recognition of contributions and the applicable discount.

Principles for developing discounts

The guiding principles for determining future discounts¹⁶ 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 are applied based on the following two primary purposes:

1. to incentivise (encourage) the use of the Department's recreation facilities (and thus a connection to nature, heritage, and conservation).
2. to reward the contribution of organisations towards conservation and recreation.

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. There are also other factors incorporated into the discounts offered on top of the youth rate structure such as 'bulkage' (for schools and youth organisations), affordability and rewards. The discounts range from 0% to 100% on a given product.

The broader application of incentive discounts for other sectors of society (e.g. elderly) will be examined in the next review of this discount policy.

Rewards are largely offered to organisations contributing to conservation and recreation (e.g. 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 Department¹⁷ for public use (e.g. NZAC)

¹⁶ 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.

¹⁷ The Department may manage these facilities on behalf of the asset owners.

- 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 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 SOP sets out the process to determine and allocate discounts. It is giving effect to Principle 2. It covers:

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

Interim grandfathering existing discounts

The discounts currently provided for public goods, organisations with assets managed by the Department and currently agreed discounts¹⁸ where practical are to remain in place until a ‘first principles’ review of discounts is complete. The relevant organisations with grandfathered discounts are therefore not required to justify their discounts as with other organisations receiving new discounts. The grandfathering is because the development of this policy has not involved engagement with the Department’s partners and stakeholders.

The grandfathered discounts will be reviewed under the ‘first principles review’.

A list of the known organisations currently with discounts to be grandfathered are in Appendix Five: Organisations with short-term grandfathered discounts. However, the discounts listed are not exhaustive and where negotiated discounts are documented in agreements dated before the approval of this SOP are also grandfathered under this SOP.

Including (incentive) discounts within price structures

The inclusion of discounts built into prices in this SOP 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. There is no information on how the current discount levels were determined. However, they are significant in comparison to the levels of discounts offered in the private sector. These types of discounts will be generally determined as

¹⁸ Refer to Principle 1 for further explanation.

a case-by-case process (e.g. using focus groups or surveys to determine responses to a discount level)¹⁹.

The identification of potential segments of the population where discounts can be offered may be based on 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 Commercial and Pricing Strategy Unit.

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 **Pricing Manager Visitor and Recreation Amenities**.

The key components of the allocation process are:

- qualifying for a discount
- conditions for an acceptable contribution
- contribution categories
- approval timeframes
- information required

¹⁹ This issue will be addressed through a 'first principles' review of discounts.

- 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 and 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 to youth and youth organisations 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 minimum²⁰ of 1,000 volunteer hours per annum²¹ and/or a monetary equivalent contribution²² (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 “Mechanism for allocating reward discounts” and in Appendix Two: Examples of calculating the Index.

Contribution categories

Contributions for recreation and conservation must be for **one or more** of the following:²³

- preserving and/or enhancing New Zealand’s natural and/or cultural heritage²⁴
- 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
- 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 messages²⁵.

Examples of acceptable contributions are:

- a local history group providing the volunteer labour and funds to restore a historic site on public conservation land

²⁰ The minimum is due to an inherent weakness in the Contribution Index that can produce a very high index score for organisations with small a revenue but contributing over 500 volunteer hours per annum. This would have the effect of providing high discounts and potentially result in high levels of revenue leakage.

²¹ This is equivalent to 4 days volunteering (assuming an 8-hour day) for each member of an organisation with 31 people.

²² 1,000 hours x average annual hourly salary for the latest available year.

²³ These categories were developed for this SOP and will be reviewed at the next review (intended to be a ‘first principles’ approach).

²⁴ This can take place on public conservation land, private land, council owned land, multiply-owned Maori land and covenanted land.

²⁵ This requires approval from the Department’s Customer Engagement Unit.

- 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 huts²⁶
- 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 (non-grandfathered)

Facilities owned or managed by third parties and some specific individual situations are excluded from discounts under this interim policy. These facilities are identified in Appendix Six: Exclusions from new approved discounts.

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 year²⁷.
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 the level of discount

Assessing the level of the discount involves four steps:

²⁶ The Backcountry Trust helps with hut maintenance and some tramping clubs have maintenance agreements with the Department to maintain specified huts.

²⁷ For the transition year 2021 (the year this SOP is implemented), the Department will accept discount application until the close of business on 28 May 2021 for the 2021/22 financial year.

1. Calculating the value of the contribution to determine if the minimum threshold for a discount is met.
2. Calculating the Index.
3. Using the Index to identify the level of discount to allocate.
4. Using the value of the contribution to determine how many products the discount can be applied to.

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 Commercial and Pricing Strategy (refer to checklist in Appendix Four: Discount application processing checklist).

Calculating the Index

The formula for calculating the Index is:

$\text{Index} = \text{Contribution (\$)} / \text{Organisations Gross Revenue (\$)} \times 1,000$
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1. The valuation of the contribution is in monetary terms and is made up of the aggregated value of items such as:

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.

Refer to Appendix Two: Examples of calculating the Index for examples of how to calculate the Index.

The contribution can 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 continue²⁸.
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).
 3. **The x1,000** is to prevent too deep decimal places due to the potential differences between some organisation's contributions and their gross revenues.

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

The Index is a guide only and there may be some elements of an organisation's contribution that cannot be, or requires excessive work to, determine. 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.

1. A discount can only be allocated to a single product category (refer to Table 3 Rewards discounts), unless the monetarised contribution exceeds a **minimum of \$250,000 per annum**²⁹ it then can be applied to two or more products.
2. The 30% (pass) and 25% (accommodation) discounts are the highest level of discount that can be allocated. If the calculated Index is equal or higher to 0.3 then the 30% or 25% discounts on the relevant products can be allocated to the organisation.
3. If the calculated Index is equal or higher to 0.2 but less than 0.3 then the 20% (pass) or 15% (accommodation) discounts can be allocated to the organisation.
4. The 10% (pass) or 5% (accommodation) are the lowest level of discount that can be allocated. If the calculated Index is equal or higher to 0.1 but less than 0.2 then 10% or 5% discounts can be allocated to the organisation.
5. The Index 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).

²⁸ Refer to the section "Validation of inputs used in the valuation of the contribution".

²⁹ This recognises and reward the organisations that provide a singular significant contribution and differentiate them from the small organisations that provide a smaller level of contribution.

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 June of the year the discount is applied. 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 applied³⁰.
4. Where there is a significant (>15%)³¹ 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
- the term expressed in an organisation's national 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.

Roles and Accountabilities

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

1. The Director, Commercial and Pricing Strategy is accountable for:
 - the preparation and review of this 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.

³⁰ Recognises that in some cases a contribution may not be in effect for a full year.

³¹ 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.

2. The Deputy Director General, Policy and Visitors is accountable for approving this SOP (including updates from reviews).
3. The Deputy Director-General Partnerships, Regional Operations Directors and Deputy Director-General Biodiversity³² are accountable for sponsoring (and coordinating) discount applications as relevant to their operational areas.

Review of this SOP

This is an interim SOP and is to be reviewed on a ‘first principles’ basis within two years of its implementation. Thereafter, it 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:

- *Partnership Team (Kate Hebblethwaite)*
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- *Visitor Centre staff (Sonia Sawyer, James McQueen, Wendy Hillerich, Paul Thornton)*
- *Operations (Laura Mead, Robert Ashe)*
- *Operations Planning (Kelly Vollenhoven)*
- *Dave Winterburn (Operations Manager Golden Bay), Mark Townsend (Operations Manager Motueka - Rec/Hist/Comm), Angus Hulme-Moir (Operations Manager Wellington).*

³² The Customer Engagement Unit (Visitor Engagement and Booking Services) sit in the Public Affairs Business Group.

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 Index			
Gross Revenue of organisation (\$)	(a)		[\$XXXXXX]
Contribution (\$)	(b)		[\$XXXXXX]
Contribution Index	[= (b)/(a) x 1000]		[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 Table 3 in the SOP)	Requested discount
Passes	<i>[based on calculated Index]</i>
Great walks, huts, and campsites	<i>[based on calculated Index]</i>
Sole occupancy facilities	<i>[based on calculated Index]</i>

<p>Applicant signature:</p> <p>Date:</p>

Use by the Department only			
Approved/declined by:	[Name]	Signature	Date
	Director Commercial and Pricing Strategy		

Appendix Two: Examples of calculating the Index

The following is a fictional example of how a Contribution Index (refer to Table 3 in the main body of the SOP) would be calculated:

An organisation contributes to conservation as follows³³:

Large commercial organisation

Contribution	Effort	Monetary Basis	Value
Volunteer at a campsite	1,200 hrs	Hrs x \$27 ³⁴	\$32,400
Volunteer trapping and planting	200 hrs	Hrs x \$27	\$5,400
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 ³⁵	\$900
Total			\$51,700

Organisations Gross Revenue is \$200,000,000

Assessment of discount value

$$CI = 51,700 / 200,000,000 \times 1000 = 0.26$$

Minimum thresholds test. The contribution meets the [minimum contribution threshold](#) to be awarded a discount (1,000 hours) on one of the three discounted product categories. It does not meet the [minimum contribution threshold](#) for being awarded a discount on more than one discounted product category.

Allocated discounts - the discount would be one of 20% off the passes or 15% off Great Walks, huts, and campsites or 15% of Sole occupancy facilities prices.

Small organisation 1

Contribution	Effort	Monetary Basis	Value
Volunteer planting	320 hrs	Hrs x \$27	\$8,640
Transporting endangered species to release location	Receipted	Expense	\$500

³³ Not all organisations will have all or the same contributions as this example.

³⁴ 2020 national average hourly wage

³⁵ If a transport company seeking the donation then a formal quote for at-cost delivery (market rate)

Contribution	Effort	Monetary Basis	Value
Total			\$9,140

Organisations Gross Revenue is \$5,000,000

Assessment of discount value

$$CI = 9,140 / 5,000,000 \times 1000 = 1.8$$

Minimum threshold tests. The discount would not be awarded as total value is below [the minimum contribution threshold](#) (e.g. 1,000hrs x \$27 = \$27,000).

Small organisation 2

Contribution	Effort	Monetary Basis	Value
Volunteer trapping	1,100 hrs	Hrs x\$27	\$29,700
Total			\$29,700

Organisations Gross Revenue is \$57,000.

Assessment of discount value

$$CI = 29,700 / 57,000 \times 1000 = 521.$$

Minimum thresholds test. It passes the [minimum contribution threshold](#) to be awarded a discount on one of the three discounted product categories (>1,000 hours). It does not meet the [minimum contribution threshold](#) for being awarded a discount on more than one discounted product category.

Allocated discounts. The discount would be one of 30% off the passes or 25% off Great Walks, huts, and campsites or 25% off Sole occupancy facilities prices.

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>5%</i>	<i>Backcountry hut pass</i> <i>Campsites</i>	<i>3/10/2022</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 Commercial and Pricing Strategy (CaPS) by 30 May 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 Index. Is it correct? (refer to Section on Awarding (reward) discounts to organisations and examples of calculations in Appendix Two: Examples of calculating the Index): <ul style="list-style-type: none"> • has correct average annual hourly wage been used? • is the math correct? 	✓ or ✗
7. Have the requirements for the discount sought been met? This will require consideration of any non-monetarised contributions in conjunction with the Contribution Index.	✓ or ✗
8. If all in order (1.-3. above) email to Director of CaPS for signing.	✓ or ✗
9. Advise the results to the applicant and where relevant the Department unit or staff 'sponsoring' or assisting the application.	✓ or ✗
Notes:	
(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.	
(b) Applications must be received by the Department no later than 31 March and/or forwarded to P&E 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.	
(c) A decision is required no later than 1 May of the year the application was received.	

Appendix Five: Organisations with short-term grandfathered discounts

Organisation	Product	Discount
Federated Mountain Clubs	Great Walks if hold a BCHP BCHP (12-month)	████
Mountain Safety Council	Great Walks if hold a BCHP BCHP (12-month)	████
NZ Deerstalkers Association	Great Walks if hold a BCHP BCHP (12-month)	████
NZ Alpine Club	BCHP (12-month) NZAC huts Westland Tai Poutini National Park NZAC huts Mt Aspiring National Park	████ ████ ████
Council of Outdoor Recreation Associations	BCHP (12-month)	████
LandSAR	Great Walks if hold a BCHP BCHP (12-month) Facilities used for SAR training exercises	████ ████ ████
NZ Police New Zealand Defence Force	Facilities used for SAR training exercises	████
NZ Defence Force Cadets	Non-Great Walk huts and campsites	████
Scouts NZ	Great Walks if own a BCHP BCHP (12-month)	████ ████
Girl Guiding NZ	Great Walks if own a BCHP BCHP (12-month)	████ ████
Kiwi Association of Sea Kayakers	BCHP (12-month)	████
YHA	BCHP (12-month)	████
Air New Zealand	Great Walks Bookable Sole Occupancy Huts BCHP (12-month)	████ ████ ████
Fulton Hogan	Bookable Sole Occupancy Huts BCHP (12-month) Bookable campsites	████ ████ ████
Primary and Secondary Schools	Huts (and associated campsites) Campsites	████ ████

Organisation	Product	Discount
<p>Note: schools must be registered in the booking system to obtain these discounts</p>	<p>Aspiring hut and Kids Bush campsite Nadia Lodge</p>	<p>■ ■</p>

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

Appendix Six: Exclusions from new approved discounts

The facilities identified in the table below are excluded from any discounts approved under this interim policy (i.e. does not apply in terms of the gathered discounts in Appendix Five).

This is a clarification amendment to the policy (17 June 2021).

Third party managed campsites

Campsite	Comment
1. Whakapapa Campsite	3 rd party managed, where they receive % of the revenue
2. Hotwater Beach (Tarawera)	3 rd party managed, where they receive % of the revenue
3. Dickey Flat	3 rd party managed, where they receive % of the revenue
4. Wentworth Valley	3 rd party managed
5. All Te Urewera campsites	Te Urewera is no longer a National Park. These facilities are managed by Te Urewera Board. This includes Great Walk campsites
6. Lake Waikaremoana Holiday Park	While this campsite is managed by DOC it is in Te Urewera.
7. Twelve Mile Bay	3 rd party managed, where they receive % of the revenue
8. Moke Lake	3 rd party managed, where they receive % of the revenue
9. Kinloch Campsite	3 rd party managed, where they receive % of the revenue
10. French Pass	3 rd party managed, where they receive % of the revenue
11. Whatamango Bay	3 rd party managed, where they receive % of the revenue
12. Elaine Bay	3 rd party managed, where they receive % of the revenue
13. Momorangi Bay	3 rd party managed, where they receive % of the revenue
14. Aussie Bay	3 rd party managed, where they receive % of the revenue
15. Pelorus Bridge	3 rd party managed, where they receive % of the revenue
16. Tapotupotu	In Northland and run by iwi
17. Spirits Bay	In Northland and run by iwi
18. Rarawa Beach	In Northland and run by iwi
19. Whanganui Journey campsites	The Whanganui River has the legal status of a person and consultation with Te Kōpuka, the entity that represents the interests of Te Awa Tupua is required before any changes

Third party managed or owned huts

These include huts on DOC's booking system that are owned by a third party who set prices and receive the revenue (or % of it). This list is for clarification and not an exhaustive list. There are no DOC huts being managed by a third party.

Hut	Comment
1. Colin Todd Hut	NZAC huts, Serviced Alpine Huts. Fee set by NZAC. There is a written agreement in place between DOC and NZAC.
2. French Ridge Hut	
3. Pioneer Hut	
4. Aspiring Hut & campsites	
5. Centennial Hut	
6. Equilant Bivvy	
7. Godley Hut	NZAC hut, sets prices. No agreement in place, one is being drafted.
8. Macauley hut	Owned by Mackenzie Alpine Trust that set fees - donation
9. Mid Greenstone hut	NZDA hut (not on DOC system)
10. All huts in Te Urewera	Te Urewera is no longer a National Park. These facilities (31) are managed by Te Urewera Board.
11. Rod Donald Hut	Owned and managed (incl setting prices) by Rod Donald Trust
12. Te Whare Okioki Hut	Owned and managed (incl setting prices) by Kaimai Ridgeway Trust.
13. Upper Caples Hut	Owned by NZDA. Not on DOC website.
14. Whangaehu Hut	NZAC hut. No written agreement.
15. Elcho Hut	NZAC hut. No written agreement.

Third party managed sole occupancy huts/lodges/cottages

These include any facilities owned by DOC and managed by a third party where they get a share of the revenue as a fee. This list is not exhaustive.

Facility	Comment
1. Matai Hut	Managed by Matai Bay Trust, set fees and receive revenue. Cannot book on DOC system, must contact the Trust
2. Rarangi Surf Club	Managed by Rarangi Surf Club. Cannot book on DOC system, must contact the club

Facility	Comment
3. Rangitoto Bach 114	Managed by the Rangitoto Trust. Cannot book on DOC system, must contact the Trust
4. Rangitoto Bach 78	