



# Cabinet paper material

## Proactive release

**Hon Tama Potaka, Minister of Conservation**

**Title:** *Modernising Conservation Land Management: Approval to Consult*

**Title:** *Exploring Charging for Access to Some Public Conservation Land: Approval to Consult*

**Title:** *Growing Third-Party Revenue for Conservation*

**Title:** *Conservation Priorities*

**Date:** 25 November 2024

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These documents have been proactively released:

**Cabinet paper – Modernising Conservation Land Management: Approval to Consult**

Date: 28 October 2024

Author: Office of the Minister of Conservation

**Cabinet Committee minute – ECO-24-MIN-0235**

Date: 23 October 2024

Author: Cabinet Office

**Cabinet paper – Exploring Charging for Access to Some Public Conservation Land: Approval to Consult**

Date: 28 October 2024

Author: Office of the Minister of Conservation

**Cabinet Committee minute – ECO-24-MIN-0236**

Date: 23 October 2024

Author: Cabinet Office

**Cabinet paper – Growing Third-Party Revenue for Conservation**

Date: 12 August 2024

Author: Office of the Minister of Conservation

**Cabinet Committee minute – ECO-24-MIN-0152**

Date: 7 August 2024

Author: Cabinet Office

**Cabinet paper – Conservation Priorities**

Date: 12 August 2024

Author: Office of the Minister of Conservation

**Cabinet Committee minute – ECO-24-MIN-0154**

Date: 7 August 2024

Author: Cabinet Office

**24-B-0128 Briefing: Conservation Amendment Bill**

**24-B-0264: Briefing: Conservation Amendment Bill – Timeline and scope)**

**24-B-0390: Proposals for Conservation Amendment Bill**

**24-B-0463: Briefing - Draft Cabinet Paper for Conservation Amendment Bill**

**Interim Regulatory Impact Statement - Modernising conservation land management**

**Interim Regulatory Impact Statement - Land exchanges and disposals**

**24-B-0186: Briefing - Opportunities to grow revenue from visitors**

**24-B-0246: Briefing - Further opportunities to grow third-party revenue**

## **Material redacted**

Some parts of this information release have been withheld as they are not appropriate for release. Where this is the case, the relevant sections of the Official Information Act 1982 (OIA) that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it. If requested under the OIA, these sections would be reconsidered for release at that time.

**Cabinet paper *Exploring charging for access to some public conservation land: Approval to Consult*, Cabinet committee minute [ECO-24-MIN-0235]**

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## In Confidence

Office of the Minister of Conservation

Cabinet Economic Policy Committee

## Exploring charging for access to some public conservation land: approval to consult

### Proposal

- 1 To seek Cabinet's agreement to release a discussion document to publicly consult on charging for access to some areas of public conservation land (PCL).
- 2 This is one of two papers seeking approval to consult the public on changes in the conservation system. The other paper relates to modernising conservation land management.

### Relation to Government priorities

- 3 The proposals in this paper relate to the Government's priority to deliver better public services. The proposals will help maintain and improve visitor experiences on PCL and support the Government's wider objectives to rebuild the economy and double tourism exports. Prior to COVID-19, conservation-related tourism was worth \$4.3 billion per annum<sup>1</sup>, and a more recent estimate has put it at \$3.4 billion per annum.<sup>2</sup>

### Background

- 4 On 12 August 2024 Cabinet agreed to my four priorities for the Conservation Portfolio, to:

- 4.1 fix concession processes;
- 4.2 target investment in high-value conservation outcomes;
- 4.3 generate new revenue and recalibrate costs; and
- 4.4 strengthen relationships with Iwi/Hapū for better conservation outcomes.

[CAB-24-MIN-0293]

- 5 In line with priority 4.3 - generating new revenue and recalibrating costs - I developed the Revenue Action Plan, which outlines how the Government will increase revenue from PCL. On 12 August 2024, Cabinet also approved the Action Plan and consultation on exploring charging for access to some areas of PCL ("access charging"), subject to future consideration of a discussion document [CAB-24-MIN-0293].

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<sup>1</sup> Department of Conservation (2019). This was an indicative internal estimate on the economic value of tourism activities on PCL between 2016 and 2019 aggregated from the regions. Estimates were calculated using Ministry of Business, Innovation and Employment databases.

<sup>2</sup> Department of Conservation (2024). This is the updated figure which takes into account the years 2020-2023 where tourism numbers were much lower than between 2016-2019.

*The conservation system is facing considerable funding challenges*

- 6 The Department of Conservation Te Papa Atawhai (**DOC**) is responsible for the conservation system and looks after roughly a third of New Zealand's land area. DOC is tasked with protecting natural and historic resources, and fostering recreation. DOC is also the largest provider of visitor activities in New Zealand through its diverse visitor network.
- 7 The conservation system is facing considerable funding challenges. There is increasing pressure on the visitor network from growing visitor numbers, the increasing impacts of climate change and higher building costs. At the same time as managing these pressures, funding is also needed to protect against biodiversity decline and to prevent the loss of New Zealand's unique and iconic species.

**Analysis**

*Access charges are common internationally*

- 8 Governments around the world, including in Australia, the United States of America and Canada, all use access charges to help fund the maintenance, operation and improvement of visitor attractions. Access charges are a common type of user-charge for entry or use of a protected natural area (e.g. national parks). Access charges can take a variety of forms, for example:
  - 8.1 a per person fee to enter a protected natural area (sometimes combined with an annual pass)
  - 8.2 a per vehicle fee to drive on a particular road into a protected natural area
  - 8.3 a per person fee to walk or ride on a particular track.
- 9 These charges are common in areas that face significant pressure from international tourists. For example, all visitors to Australia's Kosciusko National Park pay \$31 NZD per vehicle to enter the park.
- 10 New Zealand is an outlier compared to other countries in not having some form of access charging within the suite of conservation funding tools. Current New Zealand legislation does not clearly enable the use of access charges. However, entry permits are charged under the Reserves Act 1977 for some specific parts of PCL e.g. the subantarctic islands are managed by DOC as a national nature reserve and a visitor impact management fee is charged at around \$400 per passenger.

*Access charges have been shown to have many benefits*

- 11 Introducing the ability to charge for access to some PCL, alongside existing broader funding tools like the International Visitor Conservation and Tourism Levy (**IVL**), is a key opportunity to modernise conservation funding tools and grow the funding available for conservation. Early estimates suggest that introducing access charges could generate significant additional revenue, if it was introduced at popular visitor destinations.

- 12 Introducing access charging to popular visitor destinations could have the following benefits:
- 12.1 **supporting a fairer user-pays system:** access charges could improve the equity of conservation funding, by requiring visitors to contribute towards the maintenance, operation and improvement of the places they visit;
  - 12.2 **growing conservation funding:** access charging could increase funding available for the maintenance, operation and improvement of visitor experiences on PCL, including high-value conservation and biodiversity outcomes;
  - 12.3 **improving visitor experiences and management:** access charges could help better manage visitor demand and therefore reduce crowding and littering, and the negative impacts associated with high numbers of visitors on nature and wildlife; and
  - 12.4 **increasing simplicity and transparency:** a consistent, clear, and national framework to charge for access to PCL would be easier for visitors and concessionaires to understand and potentially cheaper to administer.

*Access charges would complement other funding sources like the IVL*

- 13 Access charging would complement other funding tools in the conservation system, like hut fees and the IVL, and would strengthen the focus on user-pays.<sup>3</sup> The IVL is a broad levy paid by around 60 per cent of international visitors as part of the immigration system (Australians and people from most Pacific nations do not pay the levy). The IVL is a mechanism for international visitors to contribute to the cost of tourism and conservation. The IVL funds activities of scale, at a national level, with reasonable certainty of revenue, and cost-effective collection; where direct charges are not possible.
- 14 Access charges are a specific user charge, paid at the point of ‘use’ or ‘consumption’ of an experience. They directly acknowledge the private benefits that individuals are receiving from the experience. Whereas the IVL can fund large-scale national investments, funding from access charges could be more directly linked to the maintenance, operation and improvement of the experiences where they were charged, in line with the Government’s conservation priorities.
- 15 The benefits of introducing access charging on PCL need to be balanced with other potential impacts and policy goals, such as encouraging New Zealanders to get outdoors and engage with nature, mitigating the cost-of-living crisis, and potential impacts on local businesses.
- 16 These impacts can be managed through specific design choices, for example, by introducing differential pricing, or choosing whether New Zealanders pay at all. When differential pricing was trialled on the Great Walks in 2019 it resulted in a 21

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<sup>3</sup> Research into international visitor preferences and demand elasticity in the Milford Opportunities Project suggested a strong willingness to pay an international visitor access charge in Milford Sound Piopiotahi where this is clearly connected to visitor infrastructure and conservation activities at place. The general willingness to pay range was \$90-110 per person, though this was lower for Australian visitors. It should be noted that this survey was done when the IVL rate was \$35 per person.

per cent increase in New Zealanders doing these experiences and increased revenue from international visitors by \$0.66 million.<sup>4</sup>

### **A discussion document on access charging is ready for release**

- 17 Subject to Cabinet's feedback and approval, the attached discussion document is ready to be released so that we can hear directly from the public (see **Attachment A**). Through public consultation we will build a better understanding of public support for access charging.
- 18 The discussion document includes commentary on and questions for feedback about:
- 18.1 the challenges and pressures on the conservation system including: financial challenges, ongoing biodiversity loss, increasing climatic events, and a large and aging asset base;
  - 18.2 why access charges are being considered, their relative benefits, and what other countries have done; and
  - 18.3 potential approaches to access charging, such as: who to charge, what types of places to charge, and where to allocate funding.
- 19 It does not include recommended approaches, other than that access charges should be focussed on specific places, rather than all PCL. After public consultation, I will consider the public's feedback and further analysis provided by DOC. I will then return to Cabinet with proposals for final policy decisions.

### **Timing for Public Consultation**

- 20 I propose releasing the discussion document for consultation between mid-November 2024 and late February 2025. This consultation will be associated with my planned consultation (also subject to Cabinet agreement) on proposals to modernise conservation land management, scheduled to happen at the same time.
- 21 Doing these consultations in parallel will provide a clear picture of my wider plans for the Conservation Portfolio, will be more efficient and would enable potential legislative changes to be introduced in the same bill.

### **Report back to Cabinet**

- 22 Following public consultation, I intend to report back to Cabinet to seek final policy decisions for access charging and agreement to begin legislative drafting.

### **Treaty of Waitangi implications**

- 23 Access charging raises Te Tiriti o Waitangi – Treaty of Waitangi (**Treaty of Waitangi**) implications that will need to be further explored and considered. These include:

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<sup>4</sup> In a 2018-19 trial of differential pricing where international visitors paid twice the rate that New Zealanders did, New Zealander bed nights increased by 21% compared to the year prior. Differential pricing has been implemented permanently for Great Walks.



- 23.1 DOC's responsibilities under section 4 of the Conservation Act 1987;
  - 23.2 the connection that Māori have with PCL and that many sites of significance for Māori are on PCL;
  - 23.3 that negotiations for Treaty Settlements have been conducted under current policy settings (i.e. freedom of access to PCL is maintained);
  - 23.4 that introducing access charging could have implications for future Treaty settlement negotiations; and
  - 23.5 consideration of how conservation land administered by Iwi and others might be affected.
- 24 I expect there will be significant interest from Iwi (and others) in this opportunity. The views of Iwi are likely to differ across the country.
- 25 DOC has not engaged with Iwi during the drafting of this discussion document due to time constraints. DOC will undertake comprehensive engagement with Iwi as part of the public consultation process to hear feedback.

#### **Cost-of-living Implications**

- 26 Options for access charging may have implications for the cost-of-living, but this will depend on final policy decisions following consultation.

#### **Financial Implications**

- 27 There are no immediate financial implications of these proposals for the Crown. If access charges are implemented, it will raise revenue for conservation. There will also be a cost to implement such charges; further work is needed to confirm these costs and implementation options.
- 28 The discussion document seeks initial feedback from the public on priorities for how any additional revenue should be used. It outlines international examples to give a sense of how access charging revenue is used overseas, including: spent within the local area, spent in the operational region, or investing in priority projects across New Zealand. Further detailed advice on how to allocate additional revenue will be provided to Cabinet following public consultation.

#### **Legislative Implications**

- 29 There is no clear framework for access charges under existing legislation. Enabling access charges will require amending the Conservation Act 1987, National Parks Act 1980 and the Reserves Act 1977. Subject to further consideration by Cabinet of final proposals, any necessary legislative changes can be included within my planned Conservation Amendment Bill.
- 30 I will also be reporting to Cabinet on my proposals for the wider changes needing to be made through a Conservation Amendment Bill to achieve my first priority of fixing concessions on PCL. A bid will be submitted for a slot in the legislative programme in 2025.

## Impact Analysis

### Regulatory Impact Statement

- 31 As requested by the Ministry for Regulation, the Department of Conservation's quality assurance panel has reviewed the discussion document and determined that it contains sufficient impact analysis to support Cabinet's decision to release it. Therefore, a separate regulatory impact statement (**RIS**) is not required at this stage. A full RIS will be completed at a later stage to inform Cabinet's final decisions on this proposal.

### Climate Implications of Policy Assessment

- 32 The Climate Implications of Policy Assessment (**CIPA**) team has been consulted and confirms that the CIPA requirements do not apply to this proposal yet, as it is in the discussion document phase. As the proposal progresses, the CIPA team will be kept updated and will perform a CIPA assessment when appropriate.

### Population Implications

- 33 Specific access charges may have implications for populations, for example, by changing visitor patterns in rural/regional communities, but this will depend on final policy decisions on specific access charges.

### Human Rights

- 34 There are no human rights implications from consulting on access charging.

### Use of external Resources

- 35 Consultants from Martin Jenkins assisted with the development of the discussion document given their prior work on the Milford Opportunities Project (**MOP**).

### Consultation

- 36 The following agencies were consulted on this paper: the Treasury, Ministry of Business Innovation and Employment, Ministry for the Environment, Land Information New Zealand, Te Arawhiti, Te Puni Kōkiri, Ministry for Regulation, Ministry of Transport, Department of Justice, Ministry for Primary Industries, and the Department of the Prime Minister and Cabinet.

### Communications

- 37 I intend to publish a press release at the start of public consultation to announce the release of the discussion document.

38 s 9(2)(f)(iv)

- 39 The Minister of Tourism and Hospitality and I intend to discuss a potential Government response to MOP at Cabinet Economic Policy Committee on a later date.

At this stage I intend to consider the proposal for a Milford-specific charge as part of the broader conversation put forward in this discussion document. I will be clear about the relationship between these two work programmes in public communications for MOP.

### Proactive Release

40 I intend to proactively release this Cabinet paper within 30 business days. At the same time, I will also proactively release revenue-related advice.

### Recommendations

The Minister of Conservation recommends that the Committee:

- 1 **Note** on 12 August 2024, Cabinet agreed to an Action Plan for generating revenue for conservation, including consulting publicly on charging for access to some public conservation land [CAB-24-MIN-0293]
- 2 **Approve** the release of the discussion document on access charging in Attachment A for public consultation between mid-November 2024 and late February 2025.
- 3 **Note** following public consultation, I will report back to Cabinet in 2025 to seek final policy decisions for access charging and agreement to begin legislative drafting.
- 4 **Authorise** the Minister of Conservation to make minor amendments to the discussion document as required prior to release to ensure it gives effect to its intent and is appropriately designed.
- 5 **Note** the proposal to introduce access charging can be progressed in a Conservation Amendment Bill alongside proposals to modernise conservation land management, for which a separate discussion document is being considered by Cabinet.

Authorised for lodgement

Hon Tama Potaka

Minister of Conservation

**Attachment A: Discussion document on access charging**

RELEASED BY MINISTER OF CONSERVATION



# Cabinet Economic Policy Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Exploring Charging for Access to Some Public Conservation Land: Approval to Consult

Portfolio                      Conservation

On 23 October 2024, the Cabinet Economic Policy Committee (ECO):

- 1        **noted** that in August 2024, ECO agreed to an action plan for generating revenue for conservation, including consulting publicly on charging for access to some public conservation land [ECO-24-MIN-0152];
- 2        **approved** the release of the discussion document attached under ECO-24-SUB-0236 for public consultation between mid-November 2024 and late February 2025;
- 3        **invited** the Minister of Conservation (the Minister) to report back to ECO in 2025, following public consultation, to seek final policy decisions for access charging and agreement to issue drafting instructions;
- 4        **authorised** the Minister to make minor amendments to the discussion document, as required, prior to release to ensure it gives effect to its intent and is appropriately designed;
- 5        **noted** that the proposal to introduce access charging could be progressed in a Conservation Amendment Bill alongside proposals to modernise conservation land management, for which a separate discussion document is being considered under ECO-24-SUB-0235.

Rachel Clarke  
Committee Secretary

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**Present: (see over)**

**Present:**

Rt Hon Winston Peters  
Hon David Seymour  
Hon Nicola Willis (Chair)  
Hon Chris Bishop  
Hon Brooke van Velden  
Hon Simeon Brown  
Hon Erica Stanford  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Judith Collins KC  
Hon Mark Mitchell  
Hon Tama Potaka  
Hon Matt Docey  
Hon Simon Watts  
Hon Melissa Lee  
Hon Penny Simmonds  
Hon Chris Penk  
Hon Nicola Grigg  
Hon Andrew Bayly  
Hon Andrew Hoggard  
Hon Mark Patterson  
Simon Court MP

**Officials present from:**

Office of the Prime Minister  
Office of Hon Chris Bishop  
Department of Conservation  
Officials Committee for ECO

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