

Concessions Pricing Position Statement

Non-commercial community concessions relating to the visitor network

Overview

- Fees for these community concessions can be waived if there is only non-commercial, public benefit from the activity.

Context

- Many third-party groups like community organisations, individuals and not-for-profits are involved in the management of the visitor network, through the provision of and/or investment in infrastructure such as huts and tracks.

Why is a concession needed?

- To undertake most activities on public conservation land, you need authorisation from the Department of Conservation (DOC). For private activities, authorisations are granted by a concession.
- When the activity requires rights over the land, the appropriate authorisation is a lease (exclusive rights) or a license (non-exclusive rights) both of which are a form of concession. A lease or a license can have a term of up to 30 years and enables third-parties to charge and retain fees from users of the infrastructure.
- Community agreements should only be used to authorise third-party activity when DOC owns the infrastructure under the agreement. If a community agreement is used the third-party cannot charge fees for use (even if these fees go towards maintenance of the infrastructure) or generate any revenue from the activity.

General fee structure for leases and licenses

- Under the regular concession framework, applicants and holders of a concession pay the following fees¹:
 1. **Application processing fee (waivable):** based on staff time spent processing the concession application. Paid after application is processed. Minimum fee will typically be \$2,450 – \$3,750 plus GST depending on the activity. Up to one hour of free pre-application advice is available, and we can provide further clarity on the category and minimum fee that will most likely apply.
 2. **Crown activity fee (waivable):** a type of royalty charged where activities undertaken on public conservation land result in private or commercial benefits. Calculated based on a fair market return for the land use. Typically, this fee will be based on land value of the site (~6%), or (for accommodation) a square metre rate of \$8-16 per m².¹
 3. **Concession management fee:** based on staff time spent managing the concession, e.g., checking adherence to concession conditions. Paid annually. Management fees range from \$180 – \$620 plus GST per annum. If a waiver applies this will be capped at \$360 plus GST per annum. A fee estimate will be provided before these are charged.
 4. **Concession monitoring fee:** based on staff time spent monitoring the concession e.g., regular compliance or condition checks. Depends on the frequency and scope set in the concession conditions. A fee estimate will be provided before these are charged.



Fee waivers are available for non-commercial concessions

- If there is **only** non-commercial public benefit from the activity (i.e. the infrastructure is available for use by the public for a reasonable price, to recover the expenses of maintenance), DOC will waive the Crown activity fee and processing fee in full.
- For accommodation (e.g., huts) applications, the above waiver only applies to facilities with an occupancy of 20-bunk or less. Concessions exceeding this will need to follow the standard process and apply for a discount/waiver.
- The fact the third-party is a charity or not-for-profit organisation is beneficial for the consideration of the waiver, but not determinative.
- Even if a waiver is given for processing and activity fees, management fees may still apply depending on the activity, up to \$360 plus GST per annum. Waivers only apply to successful concessions.