



## Briefing: Proposed IVL Projects May 2024

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|-----------------------|---|-----------------------|-------------|
| <b>To</b>             | Minister of Conservation  | <b>Date submitted</b> | 8 May 2024  |
| <b>Action sought</b>  | <b>Agree</b> to fund the package of proposed projects from the IVL. | <b>Priority</b>       | High        |
| <b>Reference</b>      | 24-B-0224   | <b>DocCM</b>          | DOC-7633520 |
| <b>Security Level</b> | In Confidence   |                       |             |

|                        |  |                  |             |
|------------------------|--|------------------|-------------|
| <b>Risk Assessment</b> | Low  | <b>Timeframe</b> | 13 May 2024 |
| <b>Attachments</b>     | Attachment A – Information on proposed projects<br>Attachment B <span style="color: red;">s.9(2)(f)(iv)</span><br>Attachment C – Assessment of projects against IVL eligibility criteria |                  |             |

| <b>Contacts</b>  |  |
|--|--|
| <b>Name and position</b>   | <b>Cell phone</b>                          |
| Stephanie Rowe, Deputy Director-General, Biodiversity, Heritage and Visitors | <span style="color: red;">s.9(2)(a)</span> |
| Ruth Isaac, Deputy Director-General, Policy and Regulatory Services          |  |
| Tim Bamford, Chief Advisor   |  |

## Executive summary – Whakarāpopoto ā kaiwhakahaere

1. We seek your agreement to fund a package of three high-priority conservation projects with an approximate cost of \$18.2 million over four years using the International Visitor Conservation and Tourism Levy (IVL). Forecasting estimates that there will be \$28m of IVL funding available for use by the end of June in DOC's accounts.
2. The package includes projects to:
  - Develop and implement a Huts of Recreational Importance Partnerships to enable organisations and cohorts of volunteers to maintain and manage huts and tracks on public conservation land;
  - s.9(2)(f)(iv)
  - Connect New Zealanders and visitors to nature and drive regional economic development through promoting experiences on public conservation land and waters.
3. These projects have been identified from existing or planned high-priority projects which will not be able to proceed without additional funding. We expect them to deliver significant benefits for conservation and respond to visitor pressures in key areas.
4. We propose discussing this during your weekly officials meeting on 13 May 2024.

### We recommend that you ... (Ngā tohutohu)

|    |  | Decision |
|----|--|----------|
| a) | <b>Agree</b> to the following projects being funded by the IVL:  |          |
|    | Huts of Recreational Importance (\$4.2m)   | Yes / No |
|    | s.9(2)(f)(iv)  |          |
|    | Nationwide campaign to connect New Zealanders to nature (\$5m)   | Yes / No |
| b) | <b>Note</b> that we will allocate funding for projects you approve once a detailed business case and implementation plan has been approved by the Director-General of Conservation |          |



Date: 8 / 5 /24

Stephanie Rowe  
Deputy Director-General  
Biodiversity Heritage and Visitors

Date: / /

Hon Tama Potaka  
**Minister of Conservation**

## **Purpose – Te aronga**

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5. To seek your agreement to fund three high-priority projects using the International Visitor Conservation and Tourism Levy (IVL), which align with the IVL Investment Plan 2023.
6. We have time to discuss these projects at your weekly officials meeting on Monday 13 May 2024.

## **Background and context – Te horopaki**

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7. You have recently agreed to funding five projects (totalling \$17.81m) from the IVL [24-B-0043 and 24-B-0111 refers].
8. Forecasting estimates that there will be a further \$28m of IVL funding available for use by the end of June in DOC's accounts.
9. Following initial discussions with you, we are proposing three additional projects for investment (totalling \$18.2m). We propose discussing these further at your weekly officials meeting on Monday 13 May 2024.

## **The three projects for investment support your priorities**

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10. We consider that there are three projects that would support your priorities, and provide significant benefits to New Zealanders and regional communities. These are:
  - Huts of Recreational Importance (\$4.2m)
  - s.9(2)(f)(iv)
  - Connecting New Zealanders to nature (\$5m)
11. An overview of these projects is below. Further details of each project is provided in **Attachment A**.
12. These projects are related to the following of your priorities for DOC:
  - Identifying 'high value' conservation domains (areas, habitats, and species)
  - Generating and activating revenue through the conservation estate
  - Te Tiriti/Treaty of Waitangi responsibilities

### ***Huts of Recreational Importance***

13. DOC's network of huts and tracks enables international visitors and New Zealanders to enjoy a range of activities in the outdoors, including hunting, off-roading, tramping and cycling.
14. DOC is unable to afford the maintenance of its full visitor network and therefore relies on third parties to deliver maintenance on predominantly the backcountry hut and track network. Supporting third parties to maintain, and in some areas adopt ownership of infrastructure, will support DOC over the long-term to manage the visitor network. Without the support of these third parties, DOC would need to be taking more aggressive corrective action to decommission huts and tracks.
15. There is a significant opportunity to develop and implement Huts of Recreational Importance Partnerships to enable organisations and cohorts of volunteers to maintain and manage huts and tracks on PCL. Where appropriate, this may include transfer of ownership of those facilities to others able and willing to maintain them.

s.9(2)(f)(iv)

17. s.9(2)(f)(iv) [Redacted]
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**Connecting New Zealanders and visitors to Nature**

- 23. There is a great opportunity to support more New Zealanders and visitors getting into nature through increasing promotion of experiences on public conservation land and waters, and supporting a better understanding of the state of nature and how people can contribute.
- 24. We propose running a multi-year information campaign to mobilise New Zealanders and international visitors into nature in the regions, lift the customer experience, generate revenue, and attract investment.

**Risk assessment – Aronga tūraru**

- 25. We consider proceeding with the proposed investments to be low risk. The projects all fit with the IVL Investment Plan priorities and meet the eligibility criteria (see **Attachment C**).
- 26. The risk of not proceeding is set out in greater detail for each project in **Attachment A**.

**Treaty principles (section 4) – Ngā mātāpono Tiriti (section 4)**

- 27. Projects funded through the conservation portion of the IVL must demonstrate how they have considered Treaty principles. Analysis is provided in more detail in **Attachment A**.

28. Many of the projects considered have established partnerships with mana whenua in design or delivery, respond to aspirations of Treaty partners, or enable information sharing to better inform future shared priorities. Undertaking these projects is consistent with our section 4 obligations under the Conservation Act 1987.

### **Consultation – Kōrero whakawhiti**

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29. We have informed MBIE of the three proposed projects, in line with the approach outlined in the IVL Investment Plan.

### **Next steps – Ngā tāwhaitanga**

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30. Should you approve funding for the three projects, we will prepare further detailed internal business cases so the funding can be allocated and the projects can progress. We will seek your agreement to future projects funded through the IVL early in 2025, subject to Budget decisions around the ongoing use of IVL funding.

**ENDS**

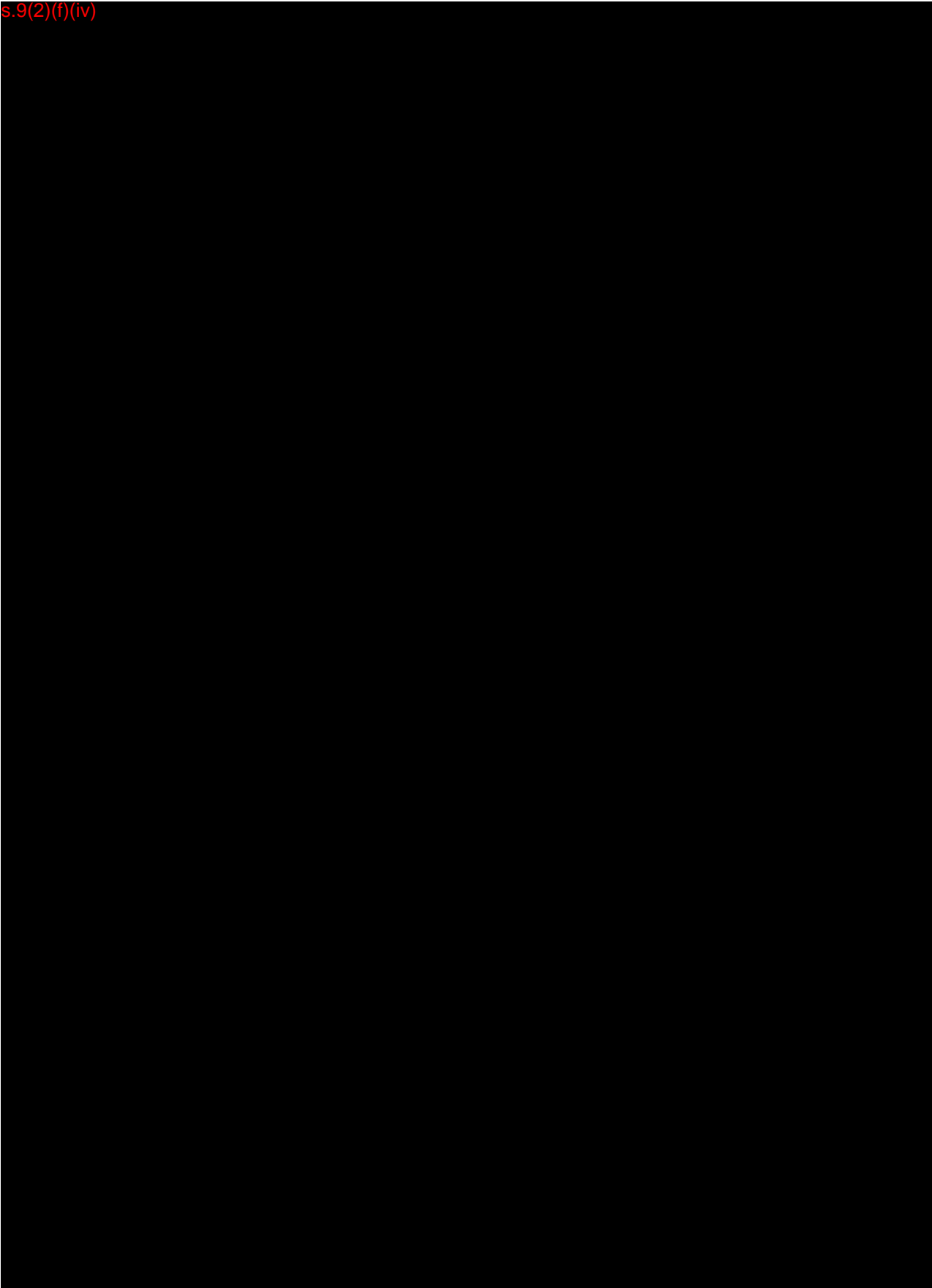
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## Attachment A - Information on proposed projects

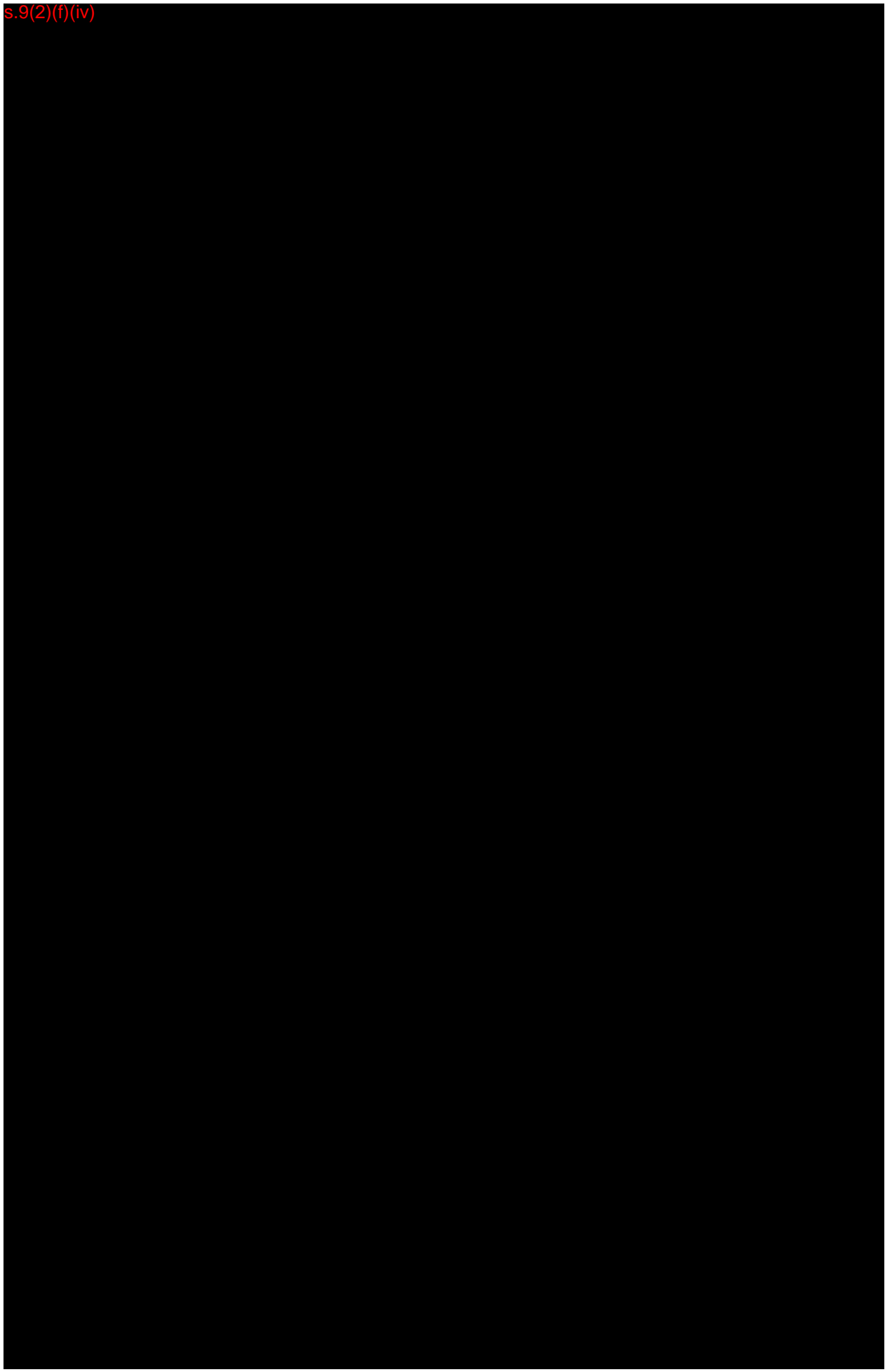
| Project                                 | Huts of Recreational Importance  |
|---|--|
| <b>Purpose</b>                          | <p>Develop and implement Huts of Recreational Importance Partnerships to enable organisations and cohorts of volunteers to maintain and manage huts and tracks on PCL. Where appropriate, this may include transfer of ownership of those facilities to others able and willing to maintain them.</p> <p>The Partnerships will support the outcomes of the Future Visitor Network Programme, that encourages others to maintain or manage visitor experiences that a regionally important.</p>   |
| <b>IVL funding sought and timeframe</b> | \$4.2M spread over 4 years   |
| <b>Investment plan priority</b>         | <p><b>Pillar 2: Responding to visitor pressures on conservation and the environment.</b></p> <p>Enhancing cultural heritage and protecting the natural environment from visitor impacts.</p> <p>Delivering system level responses to visitor pressures.</p>  |
| <b>Context</b>                          | <p>DOC is unable to afford the maintenance of its full visitor network. DOC relies on third parties to deliver maintenance on some of the visitor network, predominantly the backcountry hut and track network. Without them, DOC would need to be taking more aggressive corrective action to decommission or transfer ownership of these huts and tracks.</p> <p>DOC works with a range of non-profit organisations who draw from a range of paid and volunteer workforces and donated materials to maintain hundreds of huts and tracks. Many deliver maintenance work at a much lower cost than DOC can.</p> <p>Some of these non-profit organisations are very small, focussing on one or two key huts and tracks, while others like the Backcountry Trust have a much larger capacity and coverage across the country.</p> <p>To retain the commitment and agreements with these third-party organisations and community of volunteers, DOC needs to be able to work with them through a system level approach, and provide them some financial support.</p> |
| <b>Activities</b>                       | Establish Huts of Recreational Importance Partnerships to maintain huts and tracks on PCL, particularly those that DOC are unable to continue to maintain on its own.  |
| <b>Benefits</b>                         | <p>Enables DOC, with the support of third parties, to decide on what an appropriate size and distribution of a hut and track network should be and identify parts that could be maintained by others.</p> <p>Ensures DOC can maintain key partnerships with others to deliver maintenance of some huts and tracks at a lower cost.</p> <p>Unlocking donations of time and materials from the community and private sector.</p> <p>Relieves some financial burden on regions who sometimes fund volunteer groups to deliver work and enables DOC staff to focus on their key priorities in the visitor network.</p> <p>Continuing to maintain a network of huts and tracks encourages visitors to keep on main track routes and stay safe in legal buildings on PCLW. Without the network, visitors are more likely to go off track and potentially impact the natural environment on PCLW.</p> <p>Supports the delivery of the National Party's manifesto to establish Huts of Recreational Importance Partnerships.</p>   |

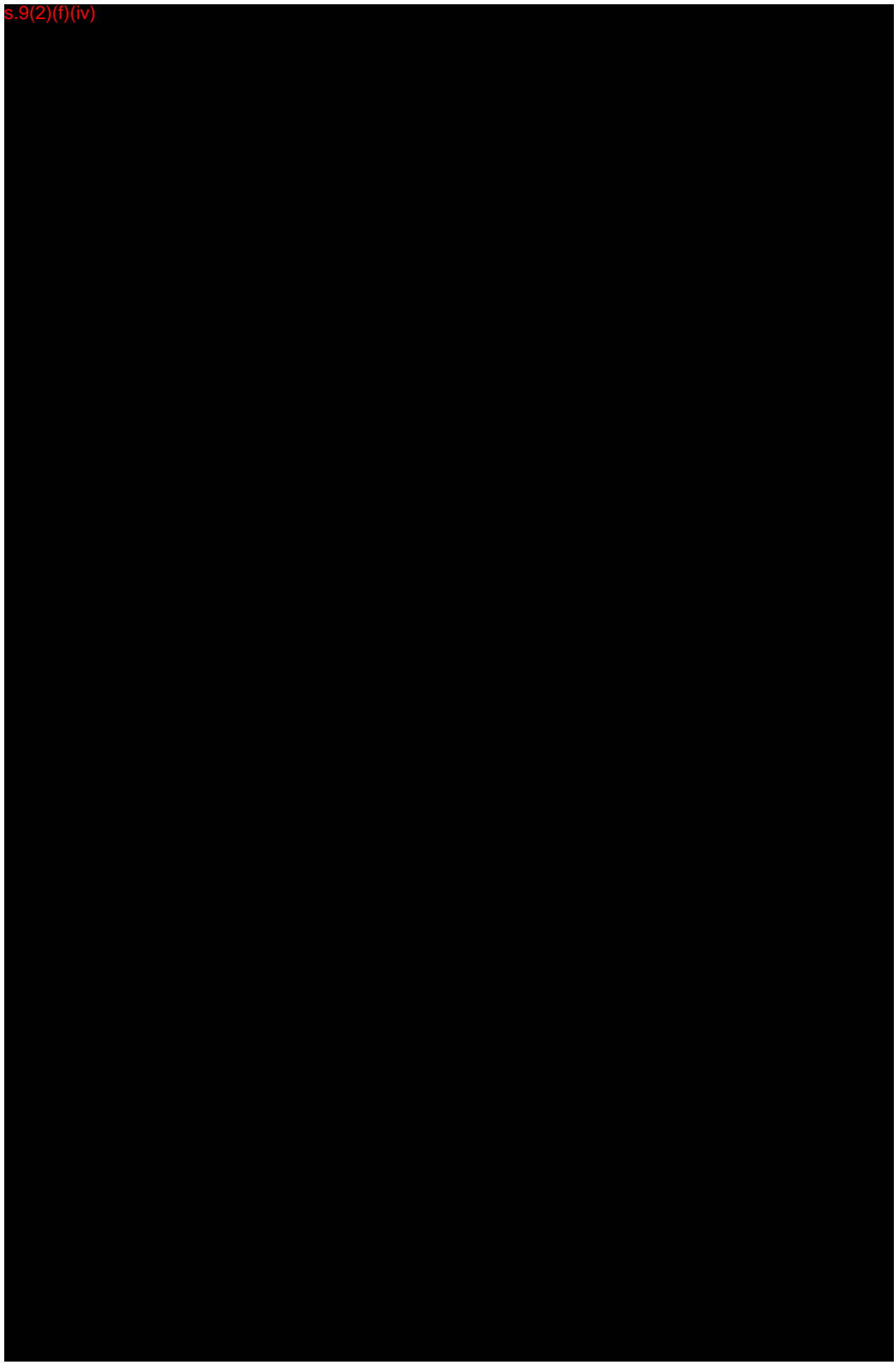
|                                 |  |
|---------------------------------|--|
| <b>External partners</b>        | Iwi and hapū<br>Backcountry Trust<br>Deer Stalkers Association<br>Federated Mountain Clubs<br>Other regionally based volunteer groups  |
| <b>Risks of not going ahead</b> | Some existing community organisations and volunteers may become disillusioned and withdraw their existing volunteer commitment. DOC would need to find alternative ways to fund and maintain some of the backcountry network. This would likely require significantly more funding or decommission a larger portion of its network of huts and tracks.       |
| <b>Comments</b>                 | The Partnerships should not provide for extending the visitor network further and consider reducing the network as appropriate. This funding must provide for DOC staff time to manage these Partnerships, including designing how Partnerships are established and agreeing a work programme of huts and tracks to be delivered through those Partnerships. |

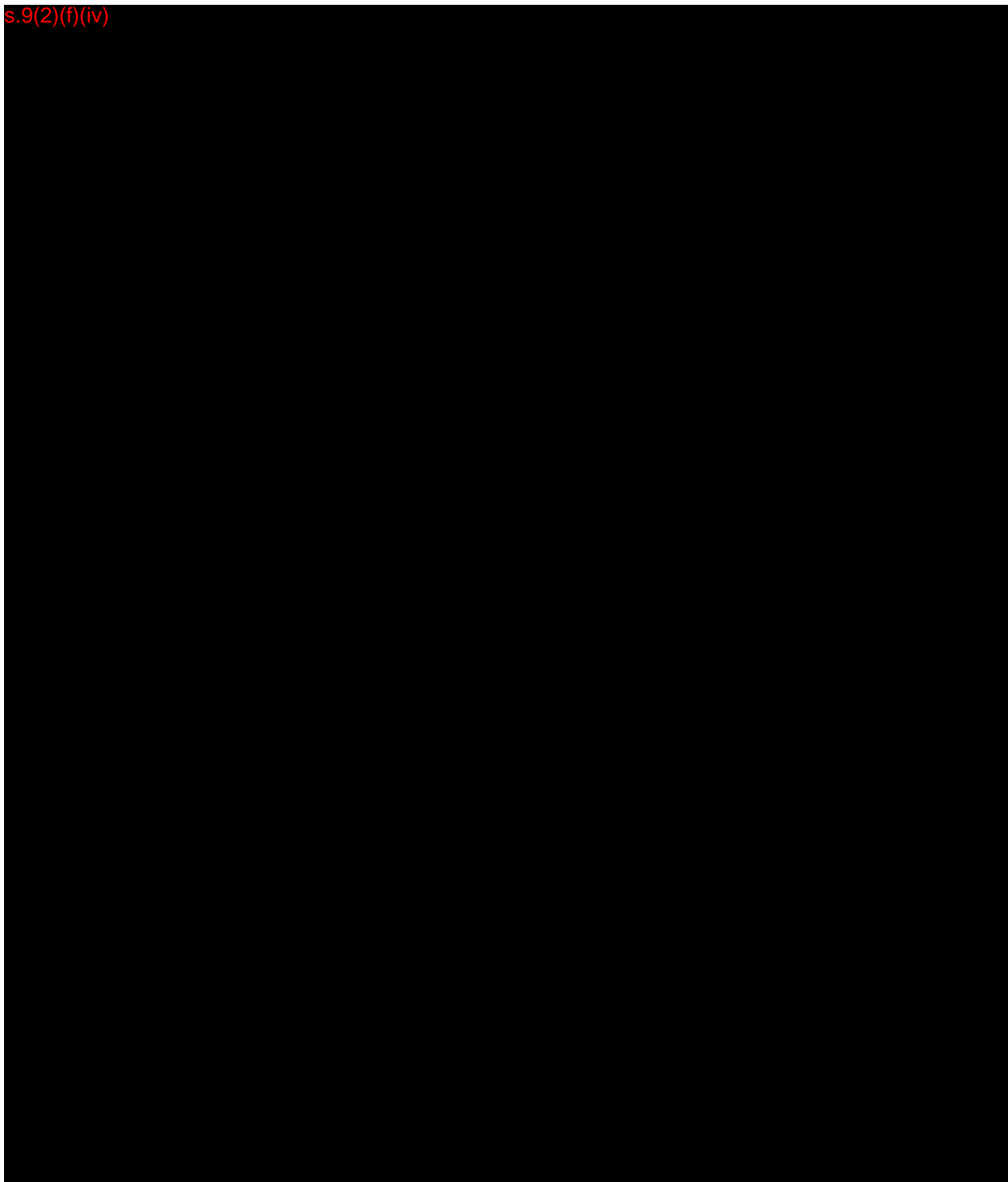
| <b>Financial year ending June</b>        | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> | <b>Five year total</b> |
|--|-------------|-------------|-------------|-------------|-------------|------------------------|
| Total operating funding, \$m             | \$0.60M     | \$1.0M      | \$1.30M     | \$1.30M     |             | \$4.2M                 |
| Total capital funding, \$m               |             |             |             |             |             |                        |
| Total capital and operating funding, \$m | \$0.60M     | \$1.0M      | \$1.30M     | \$1.30M     |             | \$4.2M                 |











|   |   |
|---|---|
| <b>Project</b>                          | <b>Connecting New Zealanders to nature</b>  |
| <b>Purpose</b>                          | A high-impact campaign that mobilises New Zealanders and international visitors into nature in the regions, lifts the customer experience, generates revenue, and attracts investment.  |
| <b>IVL funding sought and timeframe</b> | \$5 million over three years  |
| <b>Investment plan priority</b>         | <b>Pillar 2: Responding to visitor pressures on conservation and the environment.</b><br>Enhancing cultural heritage and protecting the natural environment from visitor impacts.   |
| <b>Context</b>                          | <ul style="list-style-type: none"> <li>- One of the Ministerial priorities is to generate and activate revenue to apply to the conservation estate.</li> <li>- Nature is in trouble – the scale of the challenge is growing, and New Zealand can act to make a difference.</li> <li>- Maintaining New Zealand’s clean green image supports a strong economy – the economic value of tourism on PCL is \$4.1b.</li> <li>- If we don’t protect nature, our economy suffers.</li> <li>- New Zealanders, visitors and investors can be mobilised to get into nature, engage with the challenge, and take action to help.</li> </ul>   |
| <b>Activities</b>                       | <p>Year One FY 24/25<br/> Research, scoping, stakeholder engagement<br/> Campaign starts approx. October 2024<br/> Website redesign starts approx. November 2024<br/> Donations platform, volunteering portal, hunting/fishing permit updates integrated with DOC website by June 2025</p> <p>Year Two FY 25/26<br/> Campaign ongoing, incl. launch of donations platform and volunteering portal<br/> Website redesign complete<br/> Upgrade booking system<br/> Develop merchandise</p> <p>Year Three FY 26/27<br/> Campaign wind down, enduring message<br/> Roll out merchandise</p> <ul style="list-style-type: none"> <li>- Research programme <ul style="list-style-type: none"> <li>o Understand attitudes towards nature and recreation, including action for nature (volunteering, donating, investing) to build campaign and calls to action</li> <li>o Understand the customer experience and customer journey to inform decisions on the website and bookable products</li> <li>o Market research for revenue generation streams (on PCL, in Visitor Centres, merchandise)</li> <li>o Measure impact of campaign</li> </ul> </li> <li>- Nationwide campaign that drives action by mobilising New Zealanders and visitors to visit DOC experiences. <ul style="list-style-type: none"> <li>o Campaign to be executed with traditional advertising, digital advertising and content, and in-person actions in</li> </ul> </li> </ul> |

|                                 |  |
|---------------------------------|--|
|                                 | <ul style="list-style-type: none"> <li>urban centres and at-place on Public Conservation Land and in Visitor Centres</li> <li>○ Campaign to have longevity, be memorable, and connect with DOC's engagement and communications activity</li> <li>○ Will seek to use people with influence, like our partners, to amplify</li> <li>- Support the growth of the Short Walks and Day Hikes</li> <li>- Support the launch of a donations website</li> <li>- Support the launch of a volunteering platform</li> <li>- Scope the development of merchandise</li> <li>- Upgrade the customer experience on the DOC website to make it easy to get into nature, volunteer, donate <ul style="list-style-type: none"> <li>○ Includes new and streamlined booking and customer services: ie hunting and fishing permits, permissions, donations, volunteering, huts and campsites</li> </ul> </li> <li>- Do the groundwork to introduce a new charging regime</li> </ul>   |
| <b>Benefits</b>                 | <ul style="list-style-type: none"> <li>- Local economic recovery driven by attracting people to DOC experiences in regions</li> <li>- Build on the number one reason for international tourists visiting NZ – to experience nature on land and sea</li> <li>- Generate additional revenue streams for DOC <ul style="list-style-type: none"> <li>○ New Zealanders are motivated to act for nature and develop a willingness to pay to access PCL</li> </ul> </li> <li>- Attract investment to the conservation estate <ul style="list-style-type: none"> <li>○ Business sees critical importance of nature to 70% of export market and therefore motivated to act, invest, or partner.</li> <li>○ Investors see New Zealand leading the world in protecting nature and are motivated to invest.</li> </ul> </li> <li>- DOC is shown to be a modern, innovative leader of the conservation movement</li> <li>- Move people from experiencing nature to acting for it through time (volunteer), money (donate, invest), and voice (advocate).</li> <li>- Modernise the DOC website to be able to support people finding the right experiences for them and taking action for nature, in an easy, streamlined way. Particularly bookings, permits, donations, and volunteering, which will be integrated into the website for a seamless customer experience.</li> <li>- Monitor and measure KPIs through research, data, and insights – visitation numbers to DOC touchpoints: PCL, website, Visitor Centres; actions taken for nature: volunteering, donating, investing, partnering, advocating; amount of donations, investments, partners</li> </ul> |
| <b>External partners</b>        | <p>Potential to work with:</p> <ul style="list-style-type: none"> <li>- DOC's existing national partners (ie Air New Zealand)</li> <li>- Concessionaires who operate businesses on PCL (over 5,000)</li> <li>- Tourism New Zealand</li> <li>- Regional Tourism Organisations</li> <li>- Local Councils</li> <li>- Iwi, hapū, whānau</li> </ul>   |
| <b>Risks of not going ahead</b> | <ul style="list-style-type: none"> <li>- There is an urgency around nature. 65% of people agree that conservation is one of New Zealand's most important issues.</li> </ul>  |

|                 |   |
|-----------------|---|
|                 | <ul style="list-style-type: none"> <li>- Acting for nature and visiting NZs special places is a significant driver for international and regional tourism – without building on this interest we risk losing investment into our regions</li> <li>- If we want to have a strong voice and use it to mobilise New Zealanders into nature, we need to show how people can engage with nature</li> </ul> |
| <b>Comments</b> |   |

| <b>Financial year ending June</b>        | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> | <b>Five year total</b> |
|--|-------------|-------------|-------------|-------------|-------------|------------------------|
| Total operating funding, \$m             | \$2.5M      | \$2M        | \$0.5M      | -           | -           | \$5M                   |
| Total capital funding, \$m               | -           | -           | -           | -           | -           | -                      |
| Total capital and operating funding, \$m | \$2.5M      | \$2M        | \$0.5M      | -           | -           | \$5M                   |



## Attachment C - Assessment of projects against IVL eligibility criteria

| Project                                | The project aligns with one or more of the IVL investment priorities   | The project will have significant impact at places which attract or are affected by international visitors or tourism   | The project would not be able to progress due to lack of funding without the IVL  | The project has considered whole of life costs, and sources of funding have been identified if ongoing funding is required   | The project is not, or able to be, fully cost-recovered by users  | There will be quantifiable outputs from the project  | The project has considered how it will give effect to the principles of Te Tiriti o Waitangi  |
|--|--|---|---|--|---|--|---|
| <b>Huts of Recreational Importance</b> | <p><b>Pillar 2: Responding to visitor pressures on conservation and the environment.</b></p> <p>Enhancing cultural heritage and protecting the natural environment from visitor impacts.</p> | <p>The Partnerships enables DOC to focus more of its current resources in places experiencing significant pressures from International Visitors and tourism. Partnerships with third parties to manage parts of DOC's visitor network enables others to make a significant impact to the network, that DOC are not able to manage on their own.</p> | <p>Partnerships take time and effort to establish and must be managed appropriately to ensure efficiencies are sustained and liabilities are managed. Without funding, DOC would have to deprioritise work in areas of high visitor pressure to facilitate the engagement of others to manage parts of the network OR would need to take more aggressive divestment action of the visitor network, being no longer able to afford the infrastructure that our third parties would like to maintain.</p> | <p>The \$4.2M will allow:</p> <ul style="list-style-type: none"> <li>- DOC to establish resourcing to manage the Partnerships.</li> <li>- planning what visitor infrastructure is available for maintenance through the Partnerships.</li> <li>- planning what infrastructure is NOT available and decide if it is either managed by DOC or removed from the Network.</li> <li>- funding for delivery of projects over 4 years.</li> </ul> | <p>Maintaining the visitor network is beyond DOC's current budget. Enabling third parties and volunteers to maintain parts of the visitor network through a system level approach will help improve efficiencies and the financial sustainability of the visitor network.</p> | <p>Outputs will be measured in number or hours engaged, Km of track and number of huts maintained by others.</p> | <p>The Partnerships should be open to a wide range of applicants. Criteria will be built to specify the types of groups and organisations, and size, that can apply. Treaty Partners should be given the opportunity to play a role in the Partnerships. For example, some Iwi already have crew in the field doing work on predator control and biodiversity objectives. These iwi may be interested and have the skills to join the Partnerships to extended their programmes to maintaining huts and tracks.</p> |



| Project   | The project aligns with one or more of the IVL investment priorities   | The project will have significant impact at places which attract or are affected by international visitors or tourism | The project would not be able to progress due to lack of funding without the IVL | The project has considered whole of life costs, and sources of funding have been identified if ongoing funding is required | The project is not, or able to be, fully cost-recovered by users  | There will be quantifiable outputs from the project  | The project has considered how it will give effect to the principles of Te Tiriti o Waitangi |
|---|--|---|--|--|---|--|--|
| <p>s.9(2)(f)(iv)</p> <p>[REDACTED]</p>            | <p>[REDACTED]</p>  | <p>[REDACTED]</p>   | <p>[REDACTED]</p>  | <p>[REDACTED]</p>  | <p>[REDACTED]</p>   | <p>[REDACTED]</p>  | <p>[REDACTED]</p>  |
| <p><b>Connecting New Zealanders to nature</b></p> | <p><b>Pillar 2: Responding to visitor pressures on conservation and the environment.</b></p> <p>Enhancing cultural heritage and protecting the natural environment from visitor impacts.</p> | <p>Yes – it will drive visitation to regions to support local economic recovery</p>                                   | <p>Yes – DOC does not have baseline funding for this work</p>                    | <p>Yes</p>   | <p>We can expect investment in regional economies through visitation, donations, investment in conservation project, partnerships with DOC.</p> | <p>Yes – visitation numbers at-place, in Visitor Centres, and on the DOC website and actions taken by the public including donations, volunteering, and investments.</p> | <p>Yes – we will work with mana whenua</p>   |