Department of Conservation
Te Papa Atawhai

OIAD-2955

24 May 2023

[redacted]

Tēnā koe [redacted]

Thank you for your Official Information Act request to the Department of Conservation, received on 27 April 2023 in which you asked for:

> *Could you please consult your documents on record to answer my short queries? I have tried to distil them down to be as succinct as possible – I just would like to request some official information held by your government agency as I am a NZ citizen…*
>
> ***1) Pending price hike***
>
> *What initiatives/options were considered in the most recent decision for the management of hut and backcountry taonga? I'm particularly interested in the factors on file, in minutes or otherwise documented discussed before the decision to increase hut fees was made.*
>
> ***2) Creep in premiums for regulating access – is it fair?***
>
> *Leading on from the question above, what price considerations and initiatives have been considered for the ongoing management of specifically high-use facilities?*
>
> *Could you please include in your reply the recent analysis mentioned in the attached document under 'weekend pricing'?*

On 12 May 2023 you clarified (or refined) your request as follows:

> *Here are the 4 more directed sub-questions as you requested I detail over the phone.*
>
> - *How is it decided what the balance is between how much the user pays Vs subsidised?*
> - *What' are the cost considerations for minimal maintenance huts (considering a number are volunteer maintained yet others understandably take significant resources)?*
> - *What other factors other than revenue generation are behind the pending price increases?*
> - *What consultation was there before making the decision to increase hut fees?*

A comprehensive Report on our recent Hut Price Review was prepared in December 2022, which we are releasing to you here. This document should provide all the relevant information you requested in your original correspondence, and through the clarification process on 12 May 2023.

Your questions and our responses, with references to the Hut Price Review Report (HPRR) are listed below:

1. *What initiatives/options were considered in the most recent decision for the management of hut and backcountry taonga?*

   The main sets of options considered within the Review are outlined in **HPRR section 2** (Pricing Context), **section 3** (Category Level Pricing), and **section 4** (Managing Demand Pressures, Optimising Revenue, and Improving Cost Recovery).

   The **Appendices** at the end of the Review Report also show the range of other considerations applied to our analysis, including market surveys, international perspectives, and the results of consultation.

2. *What price considerations and initiatives have been considered for the ongoing management of specifically high-use facilities?*

   HPRR section 4.3.3 discusses 'High Demand Huts'.

3. *How is it decided what the balance is between how much the user pays Vs subsidised?*

   HPRR section 1.3.1 provides a general context for DOC huts revenue and costs. **Section 2** outlines the key elements of this in greater detail, with **section 2.1** covering the pricing history, guidelines, pricing policy, and specific considerations around inflation; and **section 2.2** outlining various market realities.

4. *What are the cost considerations for minimal maintenance huts (considering a number are volunteer maintained yet others understandably take significant resources)?*

   HPRR section 3 on Category Level Pricing addresses the different maintenance approaches to DOC's huts, with **section 3.1** focusing specifically on the lower-use huts and those that third parties help to maintain.

5. *What other factors other than revenue generation are behind the pending price increases?*

   The **HPRR** as a whole covers this. Multiple perspectives and realities (as outlined in response to each of the questions above) contribute to any consideration of revenue generation in this space.

6. *What consultation was there before making the decision to increase hut fees?*

   HPRR section 7.4 (Appendix 5) covers this. It gives the initial engagement plan, and the list of both internal and external stakeholders consulted.

   The following sections also address consultation, giving details of this in relation to specific matters and issues: **sections 1.4.2 / 2.2.1 / 4.1.2 / 4.2.2 / 4.3.2 / 5.1.2 / 5.2.2 / 5.3.2.**

Item	Date	Document description	Decision
1	December 2022	DOC Hut Price Review	Released in full

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Department's website.

[redacted]

Nāku noa, nā

[redacted]

Catherine Wilson
Director, Heritage and Visitors
Department of Conservation
Te Papa Atawhai

Hut Price Review

December 2022

Recreation Pricing and Commercial Strategy Team

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New Zealand Government

Cover: Syme Hut. *Photo:* *Logan Vickers*

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1 Overview

1.1 Price Review Scope

The Recreation Commercial and Pricing Strategy Team (CaPS) reviews the facility prices on a cyclical basis. A full review of hut prices, excluding Great Walks, is scheduled for 2022. The Department of Conservation's ("Department" or "DOC") hut categories with user charges are Great Walk, Serviced, Serviced Alpine, and Standard.

1.2 Summary of recommendations

The primary deliverable of the hut price review is the 2022 Hut Price Review – Summary (DOC-7203030), slide deck that summarises the review's recommendations. This report provides analysis and the methodology used in formulating each recommendation. An overview of recommendations and their respective report section are listed below.

"3. *Service category prices*

- 3.1 *A charging mechanism and fee is explored for basic huts (refer to recommendation 5.4)*
- 3.2 *Increase price for standard huts from $5 to $10*
- 3.3 *Increase price for serviced huts from $15 to $25*
- 3.4 *Increase non-high demand serviced alpine huts from $20 to $25*

4. *Optimising revenue and managing demand at busy huts*

- 4.1 *Implement weekend pricing at two additional huts*
- 4.2 *Discontinue seasonal pricing*
- 4.3 *Maintain high demand huts at a premium to service category*

5. *Other review findings and recommendations*

- 5.1 *Child/youth ages are set to 5-17 years for all of DOC's paid experiences and passes*
- 5.2 *Increase the Backcountry Hut Pass price from $144 to $160 for adults*
- 5.3 *Redesign hut tickets to include an expiration date and update prices to recommended category prices*
- 5.4 *Recommend a Hut Payment Systems review to be scheduled for FY24."*

Table 1 below includes the forecasted impacts of the service category price changes based on three years of revenue (FY20-22). These forecasted impacts will increase cost recovery by approximately 10% to 15%. Further analysis is detailed in DOC-7198016.

Table 1 - Summary of forecasted revenue impact

Potential revenue increases	# huts[1]	Annual Revenue Increase
Standard Hut price $5 to $10	389	$260,000
Serviced Hut Price $15 to $25	85	$350,000
Backcountry Hut Pass	n/a	$25,000
Child/youth ages set to 5-17 years	n/a	$31,000

[1] Pricing database [click here]: Huts managed by DOC and not others (e.g. Te Uru Taumatua, NZDA, NZAC, etc)

Potential revenue increases	# huts[1]	Annual Revenue Increase
Total	n/a	$670,000 (33%)

1.3 Context - DOC huts

1.3.1 DOC hut revenue & costs

DOC is currently operating in an environment of increased budget pressure from rising construction and maintenance costs and reduced revenue (such as from concessions, the international visitor levy and accommodation fees). Recent budget pressure is due to several factors ranging from the impacts of COVID-19, significant inflation, and other economic pressures on New Zealand. Since DOC's inception, hut costs have increased significantly while the price charged has remained stagnant. Increases in fees charged will offset maintenance and operating costs and reduce the drawdown on the overall DOC budget.

Non-Great Walk hut revenue has been relatively stable over the last five years, ranging from $1.9M to $2.3M (FY16-21). Compared to revenue, DOC has less visibility over the cost of huts and is in the process of upgrading its financial system, which will allow for greater cost tracking, accuracy, and visibility. Notwithstanding, this DOC understands that hut costs far exceed the hut revenues and estimates cost recovery[2] for the hut network to be approximately 10-20%[3].

While DOC understands that cost recovery should be improved, it does not have a specific cost recovery target for its accommodation facilities. DOC is currently considering what its approach to cost recovery should be and whether it should have specific targets. Determining a cost recovery level for the hut network will provide strategic direction for price reviews.

Table 2 - Hut Inventory and Prices[4]

Hut Category	# Huts[5]	Current Fee Per Adult
Basic/Bivvy	299	Free
Standard	389	$5
Serviced	85	$15
Serviced Alpine	5	Various ($20-$45)
Great Walk	29	Various ($30-$110)

Table 3 details FY22 hut revenue by source. In FY22 the largest contributor to hut revenue at $1.19M was the 32 (4% of the network[6]) bookable huts, of which most are Serviced and Serviced Alpine category huts. Non-bookable huts generate $0.95M of revenue through offline payment methods; $0.6M of offline payments were for hut ticket sales, of which half are sold through visitor centres and half are sold by third parties (e.g. outdoor and hunting shops). The balance of offline revenue is generated from the backcountry hut pass sales.

Table 3 - Hut Revenue by Source

Hut Revenue Source	$
Online bookings/VC payments	**1.19M**
Hut tickets sales	**0.60M**

[2] Minister of Conservation briefing (21-B-0076)
[3] The cost base for the recovery includes maintenance, depreciation, overheads, and capital costs
[4] https://www.doc.govt.nz/parks-and-recreation/places-to-stay/stay-in-a-hut/hut-categories/
[5] Pricing database [click here]: Huts managed by DOC and not others (e.g. Te Uru Taumatua, NZDA, NZAC, etc)
[6] Non-Great Walk hut categories: Basic/Bivvy + Standard + Serviced + Serviced Alpine

Hut Revenue Source		$
3rd party sales	*0.33M*	
DOC VC sales	*0.27M*	
Backcountry Hut Pass		**0.35M**
FY22 Total Hut Revenue		**2.14M**

1.4 Review Methodology

1.4.1 Methodology

The pricing methodology is guided by The Recreation Facilities and Services Pricing Policy (DOC-6396546), which is discussed in section 2.1.2. Setting the prices of the Department's recreational facilities often takes place in an environment where there is a limited (if any) contestable or competitive market and often in absence of comprehensive facility use/demand data (only 4% of the hut network is bookable).

Proposed changes to hut category prices considered CPI and PPI indexing (Section 2.1.3) and market-based pricing (Section 2.2). The use of demand management tools (Section 4) such as weekend pricing, high demand pricing, and seasonal pricing are determined on a facility-by-facility basis and only used at bookable facilities.

1.4.2 Consultation

Internal and external stakeholders were consulted during this review in a four-phase approach. The implementation phases and stakeholders consulted with are listed in Appendix 5 – Consultation, page 27. A risk assessment of reputational and customer experience risks is included in Section 6 - Risks, page 24.

1.4.3 Pricing Implementation

During this review stakeholders were consulted at several stages in the review process to ensure the recommendations were implementable 'on the ground' e.g. that the booking system had the required functionality, and the website could be updated with the changes proposed).

All recommendations are implementable.

2 Pricing Context

2.1 DOC Hut Pricing

2.1.1 History of hut user charges

In 1987, DOC was formed, bringing together a wide range of backcountry infrastructure under its management. Prices for DOC huts were introduced in 1988 and across four categories of huts: category 1 (basic), category 2 (standard) category 3 (serviced), and category 4 (Great Walk[7], then the Milford and Abel Tasman). The price charged for a standard hut in 1988 was $4 and $8 for a serviced hut. Prices last increased to $5 for standard huts and $15 for serviced huts in 2008. These increases were a below inflationary increase at the time.

New Zealand's huts evolved organically and continue to serve a wide purpose that range from recreational use such as: tramping and hunting, research, preservation as historical assets, and pest control. While there is a wide range of use for the huts, staying overnight at a hut remains a relatively niche activity in New Zealand compared to other recreation activities. [8]

[7] Officially established in 1992
[8] DOC Customer Research: New Zealanders in the Outdoors

2.1.2 Guidelines of hut prices

The Recreation Facilities and Services Pricing Policy

The Recreation Facilities and Services Pricing Policy (DOC- 6396546) guides the setting prices for DOC's recreational facilities and services. DOC provides a range of outdoor recreation and tourism facilities and services on public conservation land and water (PCLW). As a government agency, it requires (and has) statutory authority to charge for the use of its facilities and services.

Utilising legislation, policies, and guidance materials, the Recreation Facilities and Services Pricing Policy created guiding principles for determining prices. Applicable principles are listed below.

1. Price is set at a level that is not a significant barrier to the public recreating in protected areas or learning about conservation.
2. Prices and fees for facilities should be established with stakeholder engagement and in a consistent manner.
3. Fees will be charged where compliance is feasible and efficient, and those fees can be safely collected.
4. Methods to determine prices should focus on the following four outcomes, in tandem with the above principals:
    i. **Monetary focus:** Prices should seek to cover the Department's costs of providing recreation facilities and services.
    ii. **Customer focus:** Prices should reflect the value of the experiences or services delivered.
    iii. **Product use focus:** Prices should aim to manage demand.
    iv. **Department strategies and objectives:** Pricing objectives should align with the Department's relevant strategies and objectives (e.g. Heritage and Visitor Strategy).

The Treasury: 2022 Natural Resources Cluster Spending Review

Treasury outlined specific recommendations for DOC regarding cost recovery from its facilities, which included an overview of capital expenditure, operating expenditure, and depreciation of assets.

Treasury found that financially unsustainable increases in capital expenditure and operating expenditure are needed to maintain service standards, which will need to be addressed either through additional funding or significant divestment of assets. Treasury also detailed a list of improvement opportunities, which contained items such as: improve cost recovery, re-orientate the network of assets to products and activities in areas of high visitor demand and where New Zealanders live and travel, use a wider range of performance measures to assess the operation and performance of assets, and several other expenditure, management, and data improvement goals.

With these policies and guidelines in place, this review acknowledges several complex and broad questions such as: defining fair prices, specified cost recovery levels, appropriate usage rates, efficient methods of payment, and how to improve financial sustainability.

2.1.3 Current fees compared to inflation and construction costs[9]

Annual inflation averaged 2% since hut category prices were last updated in 2008, which includes the recent record high at 6.9% (quarter ending March 2022). CPI[10] indexing provides guidance as to how to maintain a price that is relative to costs.

In addition to Consumer Price Index, the Producer's Price Index (PPI) – Construction[11] tracks the price of construction over time. According to PPI, the annual average price of construction increased 2.3% per year since hut prices were last updated.

Table 4, details how the original hut fees set in 1988 would increase if indexed to CPI and PPI. It should be noted that the PPI indexed hut fee is underestimated as the index was established in 1994.

[9] PPI and CPI Analysis: DOC-7198268
[10] CPI July 1988 to June 2023 (Reserve Bank of NZ forecast)
[11] PPI Construction Index: Dec 1994 to Jun 2022

Table 4 – CPI and PPI indexed hut prices (Adult Prices)

Benchmarked category fees			
Category	Current fee and % delta to 1988 fee	Consumer Price Index (+117%)	Producer's Price Index – Construction (+145%)
Standard	$5 (20%)	$9	$10
Serviced	$15 (75%)	$33	$36

2.2 Private Hut Market Survey[12]

To help inform the hut price review, a market survey (DOC-711223) was conducted for private huts throughout New Zealand. Of the 560 private huts surveyed in New Zealand, price data was available for only 65 huts, which included standard, serviced, and alpine huts. The results of the survey are detailed in and charted in Figure 1 below.

Table 5 – Comparable paid huts by DOC (equivalent) category

Category	Total Huts Surveyed	Huts with Price Information	% Huts with Price Information	Average Price (Trust/Non for Profit)
Serviced Alpine	16	16	100%	$31
Serviced	54	24	44%	$25
Standard	173	25	14%	$15

Surveyed huts were categorised to compare like-for-like to DOC's huts, categorised as commercial or trust/non-profit operators, and any pricing and demand management practices were noted.

Key observations from the market survey:

- DOC's service category hut prices are below market for both commercial and trust/non profit operators
- DOC owns a significant market share for serviced alpine, serviced, and standard huts
- There is a wide variance in surveyed non-DOC hut prices, with standard prices ranging from $0 to $75 and serviced prices ranging from $8 to $65
- While comparable non-DOC serviced huts often relied on code access, keys, or have hut wardens, fee payment compliance at comparable standard DOC huts typically relied on an honor (honesty) code.

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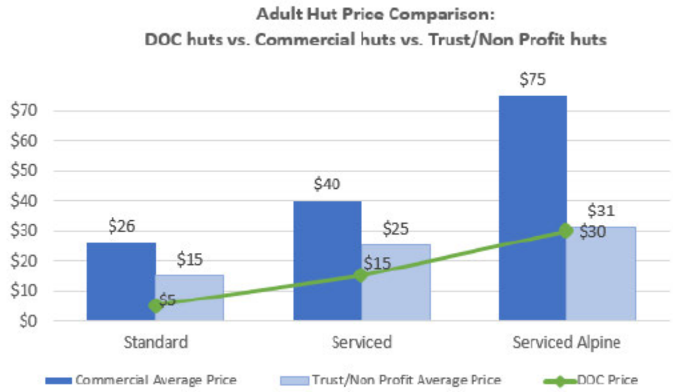
Category	Total Huts Surveyed	Huts with Price Information	% Huts with Price Information	Average Price (Trust/Non for Profit)
Serviced Alpine	16	16	100%	$31
Serviced	54	24	44%	$25
Standard	173	25	14%	$15

[12] Market Survey Results

Figure 1 – Market Survey analysis of paid huts in NZ



2.2.1 Consultation and Critical Issues Raised – Market based pricing vs CPI

Internal

- CPI increase is generally acceptable and appropriate.
- Some support staging and introducing the price increases over time.
- Concerns regarding how the price increase will complement the goal of increasing participation in nature.
- Mixed views regarding rounding to the nearest $1 or $5.
- Some proposed using an alternative index to CPI that is more relevant to huts (addressed in 2.1.2).
- Market based pricing has no visibility of the demographic that uses the private huts.
- DOC may have different responsibilities from private hut owners with regards to providing public hut services.

External

- Initial feedback on CPI increases was mixed.
- DOC generally should not make a profit and pricing should be reviewed periodically but not every year
- 2/5 external stakeholders agreed with CPI based pricing
    - Of those that disagreed with CPI and market-based pricing, external stakeholders expressed interest to understand the long term, system-based approach for effective fee payment before implementing price changes
    - Of those that disagreed, one suggested using an alternative index such as PPI such as PPI if DOC were to go ahead with CPI based pricing.
- All external stakeholders disagreed to varying degrees with benchmarking hut prices with private huts – this analysis subsequently adjusted benchmarking to focus on not-for-profit huts.
- Most stakeholders voiced concerns that private huts serve a different purpose and demographic to DOC huts.

3 Category Level Pricing at DOC Huts

3.1 DOC's Basic/Bivvy Category Huts

3.1.1 Findings from the Analysis

- There are 299 Basic/Bivvy category huts. There is currently no set fee for users staying in these huts and shelters. Many of these huts and shelters pre-date the DOC and were inherited from the forestry service, department of lands and survey, private huts built on public land, and various club huts.
- Some third-party managed and maintained Basic/Bivvys have a user charge with collected revenue put towards facility maintenance. Some examples include Whangaehu Hut ($20 p/n), Rakiura Hunter Camp Trust huts ($30 pp for up to 10 nights), Canterbury Mountaineering Club huts ($10 p/n). Other organisations that manage huts request a cash donation via a bank account or iron ranger.
- The Backcountry Trust (BCT), which was established in 2017 and coordinates the redistribution of the block funding they receive to volunteer groups to undertake work on backcountry huts and tracks. BCT is mostly DOC-funded via the DOC Community Fund, and more recently received a substantial grant from Jobs for Nature.
- Average BCT grants from the Community Fund demonstrate that Basic/Bivvy and Standard categories hut projects costs are similar and suggests the nightly charge to stay should be the similar. Refer to Table 6 below for average project grants.

Table 6 – FY18-22 Backcountry Trust project grants. Source: DOC-7153822

Facility/project type	Current fee for use (21/22)	Count of projects	Average project grant	Total
Basic/Bivvies	Free	66	$12,462	$822,471
Standard Huts	$5	54	$14,934	$806,435
Serviced Huts	$15	13	$19,579	$254,528
Serviced++		2	$6,500	$13,000
Tracks & other facilities		44	$16,662	$733,145

3.1.2 Conclusion

External stakeholders involved in volunteer-based management and maintenance of backcountry huts believe that hut-users are more likely to pay for a stay in a hut when hut-users believe that their fees are contributing to hut maintenance.

There is an appetite for community groups to maintain these lesser used huts using predominantly volunteer labour.

Given the funding challenges on the network, basic and bivvy huts will need to generate revenue (i.e. have user charges) to help cover the required maintenance. .

One suggested approach (BCT) is that a backcountry-only hut pass is established for overnight stays at Basic/Bivvys, Standard huts, and camping at Serviced huts; and the revenue generated is used to fund groups like BCT to undertake the maintenance on those facilities. This would help to create a link user-pays (pass purchases) and work on backcountry huts.

3.1.3 Recommendation

Explore a charging mechanism for Basic/Bivvies in the **Payment Systems Review** (refer to section 5.4, page 23).

3.2 Standard Huts

3.2.1 Findings from the analysis

- DOC owns most of the publicly available DOC 'Standard' type huts in New Zealand.
- In 1988 Standard hut fees were set at $4 per adult. In 2008 they were increased to $5 per adult, a sub-inflationary increase at the time. They have remained unchanged since 2008.
- Hut fees, if adjusted in accordance with the CPI and PPI, would be $9 and $10, respectively, if indexed to 1988. Refer to Table 4, page 9.
- Market survey results: The average pricing of equivalent trust/non-profit standard huts across New Zealand is $15 per adult. Refer to Table 5, page 9.
- Most external stakeholders support the proposed increase.

3.2.2 Conclusion

Adjusting fees for CPI and PPI is considered the most appropriate methods for updating the Standard category price. Market based pricing is not appropriate as DOC is the dominant provider of public 'Standard' huts in New Zealand and thus the price-setter or leader.

An increase for Standard category fees from $5 per adult ($2.50 per youth) to $10 per adult ($5 per youth) keeps fees relevant to increasing costs, more closely aligns prices to equivalent non-commercial huts, and will improve cost recovery. It also aligns with the current nightly fee for standard campsites.

Therefore, a $5 price increase is considered reasonable.

3.2.3 Recommendation

Increase the Standard Hut category fee to $10 per adult ($5 per child/youth).

3.3 Serviced Huts

3.3.1 Findings from the analysis

- DOC owns approximately 78% (91 of 115) of the publicly available DOC 'Serviced' type huts in New Zealand.
- Serviced hut fees were introduced in 1988 for $8 per adult and were last increased in 2008 from $10 to $15 per adult, a below inflationary increase at the time.
- Hut fees, if adjusted in accordance with CPI and PPI, would be approximately $33 and $36 per adult if indexed to 1988. Refer to Table 4, page 9.
- Market survey results: The average pricing of equivalent trust/non-profit Serviced huts across New Zealand is $25 per adult. Refer to Table 5, page 9.
- The DOC's service standards for Serviced category huts require firwood/heating to be supplied by DOC. Firewood is typically helicoptered in at a substantial cost to DOC. The current low cost recovery level of some Serviced huts has resulted in cost pressures and diminished service levels.
- Most external stakeholders support the proposed increase.

3.3.2 Conclusion

Market-based pricing is considered the most appropriate method for updating the Serviced category price. CPI and PPI based pricing is considered less appropriate as it would result in relatively high hut fees.

An increase for Serviced category fees from $15 per adult ($7.50 per child/youth) to $25 per adult ($12.50 per child/youth) keeps fees relevant to increasing costs, more closely aligns prices to equivalent non-commercial huts, and will improve cost recovery.

3.3.3 Recommendation

Increase the Serviced category fee to $25 per adult ($12.50 per child/youth)

3.4 Serviced Alpine Huts

3.4.1 Findings from the analysis

- There are 22 DOC 'Serviced Alpine' type huts in New Zealand, DOC owns five of these, the remainder are owned by alpine clubs.
- DOC's Mueller and Brewster are individually priced to accommodate high demand and the remaining three Serviced Alpine huts are $20 per night.
- Most external stakeholders agree with the proposed increase (Section 3.4.3).

3.4.2 Conclusion

For consistency and simplicity the non-high demand serviced alpine huts should be priced at $25 per night which aligns with the proposed serviced category fee – refer to recommendation 3.3.3, page 13.

The revenue impacts of this increase will not be as significant as the Standard or Serviced category increases due to the small number of serviced alpine huts.

3.4.3 Recommendation

Increase the nightly fee of non-high demand Serviced Alpine huts from $20 to $25 per adult ($12.50 for child/youth).

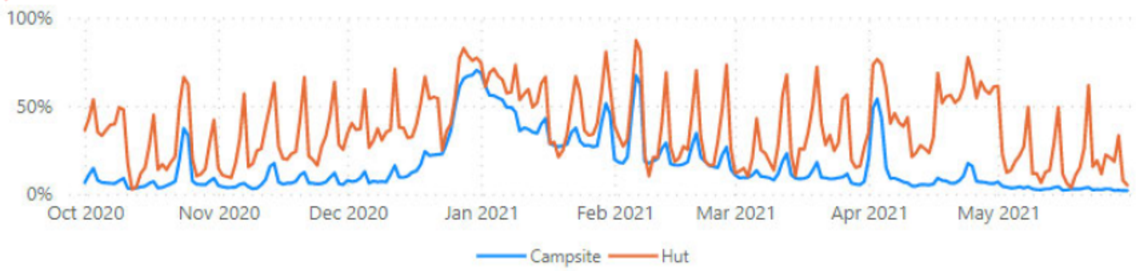
4 Managing Demand Pressures, Optimising Revenue, and Improve Cost Recovery

4.1 Weekend Pricing

4.1.1 Findings from the Analysis[13]

- Hut demand is heavily weighted towards the weekends and over the summer months – refer to Figure 2 - Seasonal and weekend occupancy trends below.

Figure 2 - Seasonal and weekend occupancy trends



[13] Weekend Pricing Impact Analysis: DOC-7203132

- From July 2021, weekend pricing was implemented for popular bookable huts to help distribute demand away from weekend (spread the load) and contribute towards improving cost recovery.
- Analysis of bookings for huts with weekend pricing over the 2021/2022 season[14], shows that weekend pricing as a demand management tool did help to spread visitor demand.
  - ↘ Total occupancy decreased 0.6%, which includes the impact of Auckland lockdown and Covid cancellations.
  - ↗ The share of child/youth/infant bednights increased on days with weekend pricing, from 34% to 36%. Conversely there was a decrease in child/youth/infant weekday stays at lower prices. The data demonstrates that weekend pricing generally did not have a negative impact on families.
  - ↗ There was an 8% decline in adult bednights on days with weekend pricing. However, this was more than offset by a 5% increase in non-weekend bednights, with an overall increase in bednights.
  - ↘ The difference between weekdays and weekends occupancy decreased 1.3 percentage points from 45.6% to 44.2%.
- Applying DOC'soccupancy threshold pricing guidance (DOC-7059116), Table 7 includes the huts that exceeded the 80th percentile of weekend hut occupancy and demonstrated significant variance to average weekday versus weekend occupancy.
- Using the thresholds serves as a starting point for inspecting which huts could benefit from weekend pricing. The huts listed in Table 7 should be cross validated by other factors such as consistent YoY occupancy, consultation with operations, and other qualitative analysis.

Table 7 – New Huts that Qualified for Weekend Pricing

Facility Name	Category	Weekend Occupancy
Pinnacles Hut - HWT	Serviced	86%
Kōhanga Atawhai – Manson Nicholls Hut	Serviced	84%
Pouakai Hut	Serviced	76%
Pahautea Hut	Standard	76%
Te Whare Okioki	Serviced	65%
Jumbo Hut	Serviced	72%
Jubilee Hut	Standard	72%

- Manson Nicholls Hut and Jubilee Hut were not selected for weekend pricing as they do not demonstrate consistently high YoY weekend occupancy figures. Pouakai Hut was not selected because it is scheduled for construction in FY24 to expand the hut from 16 bunks to 36. Jumbo Hut, the second hut on the popular Holdsworth Circuit, was not selected because it is in significantly worse condition than the other two huts on the circuit (Powell Hut and Atiwhakatu hut). Te Whare Okioki was not selected as it is managed by Kaimai Ridgeway Trust who did not want weekend pricing on its hut.
- The Serviced category price is recommended to increase from $15 to $25 per adult (section 3.3.3). A $5 premium to Service category is recommended for weekend pricing, which results in weekend prices at $30 for Serviced huts and $15 for standard huts. The combination of increased Serviced category prices and weekend prices result in relatively large YoY increases, which could impact demand. A staggered increase could help to reduce this risk.

[14] Dates analysed 1st November 2021 to 31st May 2022

4.1.2 Consultation and Critical Issues Raised over weekend pricing

Internal

- Concerns raised over which user demographic this will impact, e.g., families
- Should only apply to bookable huts
- Some stakeholders would prefer a strategy that uses discounted midweek prices, with the goal of increasing participation and managing peak weekend demand.

External

- Most external stakeholders did not support weekend pricing
- Of those that disagreed, some stakeholders stated there are already too many complications with the system and that it will discourage users such as families
- There was a suggestion that discounted weekday pricing should be used as opposed to weekend premiums
- The Kaimai Ridgeway Trust is interested in seasonal pricing at its hut (Te Whare Okioki).

4.1.3 Conclusion

Analysis of 2021/2022 bookings at huts with weekend pricing demonstrated that weekend pricing is an effective demand management tool that spreads visitor demand and resulted in an increase in weekend use by young people.

Therefore, it is appropriate to continue the weekend pricing in place (currently 11 huts) and analyse booking data at the next hut price review to ensure weekend demand is effectively managed.

Weekend pricing is needed/suitable where bookable huts:

- are in the top 20% of huts by weekend occupancy,
- show a significant variance to average weekday occupancies, and
- the analysis is used in tandem with other qualitative and quantitative analysis such as consistently high weekend YoY occupancy or discussing hut nuances with operations

Table 8 below shows current weekend prices and recommended weekend prices. New huts where weekend prices should be introduced have an asterisk.

Table 8 – Current Weekend Prices versus Recommended Weekend Prices

Facility Name	Category	Current Category Price	Current Weekend price	Recommended Category Price	Recommended Weekend Price
Atiwhakatu Hut	Standard	$5	$10	$10	**$15**
Crosbies Hut	Serviced	$15	$20	$25	**$30**
Ōtamahua Hut	Serviced	$15	$20	$25	**$30**
Packhorse Hut	Serviced	$15	$20	$25	**$30**
Peach Cove Hut	Serviced	$15	$20	$25	**$30**
Pinnacles Hut ESI	Serviced	$15	$25	$25	**$30**
Powell Hut	Serviced	$15	$20	$25	**$30**
Rod Donald Hut	Serviced	$15	$20	$25	**$30**
Sunrise Hut	Serviced	$15	$20	$25	**$30**
Waitawheta Hut	Serviced	$15	$20	$25	**$30**
Woolshed Creek Hut	Serviced	$15	$20	$25	**$30**
Additional huts that are recommended to implement weekend pricing:					
Pahautea Hut*	Standard	$5	$20	$10	**$15**

Facility Name	Category	Current Category Price	Current Weekend price	Recommended Category Price	Recommended Weekend Price
Pinnacles Hut – HWT*	Serviced	$15	**$25**[15]	$25	**$30**

4.1.4 Recommendation

Implement weekend pricing at $5 above the Service category fee (refer to section 3.3.3) at Pahautea Hut and Pinnacles Hut (Coromandel). Refer to Table 8 above.

[15] Pinnacles Hut is currently priced at $25 year round

4.2 Seasonal Pricing

4.2.1 Findings from the Analysis

- Currently, 15 huts have seasonal pricing with peak prices applied between 1 October and 30 April

Table 9 - Huts with Seasonal Pricing

Online bookings	Huts (all are Serviced category)	Seasonal pricing
Bookable	Angelus Hut	Low: $15, Peak: $25
Non-bookable	Blue Lake Hut, Daleys Flat Hut, Dart Hut, Greenstone Hut, John Tait Hut, Lakehead Hut, McKellar Hut, Mid Caples Hut, Sabine Hut, Shelter Rock Hut, Speargrass Hut, Upper Travers Hut, West Sabine Hut	Low: $15, Peak: $20

- Most seasonally priced huts are not bookable and there is subsequently little booking data to verify the impact seasonal prices had on visitor demand[16]
- The recommended increase to Serviced category price to $25 (section 3.3.3) will exceed or is equal to the current seasonal peak and low season price

4.2.2 Consultation and Critical Issues Raised with seasonal pricing

Internal

- Should only apply to bookable huts so price changes are system managed.
- Internal stakeholder feedback suggested that seasonal prices were based on a change in service level, not demand.
- Seasonal pricing can align with higher seasonal costs (e.g. hut wardens being present) and encourage the use of lower demand facilities.
- Raised the issue of perverse outcomes of seasonal pricing.

External

- Concerns like those expressed for weekend pricing were raised regarding the potential negative impacts on user groups such as families.
- Many stakeholders wanted to implement a system-based approach (e.g. CPI adjusted or market based pricing) before demand pricing tools is implemented
- All external stakeholders supported the recommendation to remove seasonal pricing.

4.2.3 Conclusion

If category prices are increased, seasonal pricing is not needed for the non-bookable huts currently with seasonal pricing (as there is no data to support demand management). The high-demand and bookable Angelus hut's price should be the same year-round.

Recommend that seasonal pricing is reassessed for bookable huts in the FY25 hut price review.

4.2.4 Recommendation

To discontinue seasonal pricing for Blue Lake Hut, Daleys Flat Hut, Dart Hut, Greenstone Hut, John Tait Hut, Lakehead Hut, McKellar Hut, Mid Caples Hut, Sabine Hut, Shelter Rock Hut, Speargrass Hut, Upper Travers Hut, West Sabine Hut.

[16] Initial rational for seasonal pricing: Base Pricing for Great Walks and Substitute Walks DOC-6045348

4.3 High-demand Huts

4.3.1 Findings from the Analysis

- 'High demand' hut fees are individually priced and those prices are all higher than prices based on hut categories.
- The huts in Table 10 (excluding weekend and seasonal pricing) have 'High-demand' hut prices that are priced above their service category's price.

Table 10 - Huts with high-demand prices

Hut name & service category	Current service category fee (21/22)	Hut's current high-demand price (21/22)
Mueller Hut (Serviced Alpine)	$20	$45
Brewster Hut (Serviced Alpine)	$20	$40
Siberia Hut – SSI (Serviced)	$15	$20
Welcome Flat Hut (Serviced)	$15	$25
Pinnacles Hut - HWT (Serviced)	$15	$25
Hooker Hut (Serviced)	$15	$25
Angelus (Serviced)	$15	$25*

* Angelus hut is $25 in the peak season (1 Oct to 30 Apr), and $15 in the low season

- Increasing the Serviced category price to $25 (refer to section 3.3.3, page 13) will render the current 'High-demand' fees ineffective at managing demand
- Using DOC's occupancy thresholds guidelines (DOC-7059116) for huts in the 80th percentile by booking system occupancy:
  - Pinnacles Hut does qualify for high demand pricing, but further analysis details that the extremely high Saturday occupancy drives the high year-round occupancy. The demand management at Pinnacles Hut will be improved by implementing weekend pricing.
  - All other huts listed in Table 10 have an occupancy that warrants high-demand pricing.

4.3.2 Consultation and Critical Issues Raised high demand pricing

Internal

- General agreement that 'High demand hut' fees should be adjusted relevant to increases in service category fees.
- Adjusting fees by CPI was a commonly referenced method for proportionally increasing high demand hut fees.

External

- Most external stakeholders do not support high demand pricing.
- Of those that disagreed with high demand pricing, most agreed that there are already too many complications within the system and that this will continue to price out families.

4.3.3 Conclusion

To be effective in managing demand, high demand hut fees must remain at a premium above the hut's service category fee (refer to section 3, page 11).

For consistency and simplicity, for FY24 high-demand huts should be priced as follows:

- 'High-demand' Serviced huts: $5 above the proposed service category (refer to section 3.3.3, page 13).
- 'High-demand' Serviced alpine huts: Priced individually (no change for FY24).

4.3.4 Recommendation

'High-demand' hut fees are increased as set out in Table 11, below.

Table 11 - Recommended high-demand hut fees

Hut name & service category	Current fee (21/22)	Proposed year-round nightly adult fee
Mueller Hut (Serviced Alpine)	$45	$45
Brewster Hut (Serviced Alpine)	$40	$40
Siberia Hut – SSI (Serviced)	$20	$30
Welcome Flat Hut (Serviced)	$25	$30
Hooker Hut (Serviced)	$25	$30
Angelus (Serviced)	$25*	$30

* Angelus hut was $25 in the peak season (1 Oct to 30 Apr), and $15 in the low season

5 Other Findings During the Review

5.1 Child/Youth age group ages need updating

5.1.1 Findings from the Analysis

- Youth/child pricing at DOC huts and campgrounds is 50% of the adult fee.
- There is inconsistency between DOC hut and campsite age groups with under 5 years free of charge at a campsite and ages 10 and under are free of charge at a hut. Refer to Table 12 – Current age groups for a table detailing the differences.

Table 12 – Current age groups

Campsite fee and pass age groups	Hut fee and pass age groups	Great Walk hut & campsite age groups
Adult (18+ years)	Adult (18+ years)	Adult (18+ years)
Child/Youth (5–17 years) 50% adult fee	Youth (11–17 years) 50% adult fee	Child/Youth/Infant (0–17 years) NZ residents: Free Non-residents: 50% of non-resident adult fee
Child/Infant (0–4 years) Free	Child/Infant (0–10 years) Free	

- Child/youth prices are typically half the adult price of an adult for the following public services:
  - Public transport fares (busses, ferries) typically provide free passage for under 5 years, child/youth prices for ages 5 to 17, and adult prices from 18 years.
  - Aquariums and zoos typically have an upper free age bracket of 2 to 3 years, then child/youth prices to for ages 14 and under, and adult prices apply from 15 years.
  - Paid council campsites are typically free for under 5 years, child/youth prices for ages 5 to 17, and adults pricing from 18 years.

- Aligning DOC hut and campsite age groups will increase paid hut bednights (5-10 years olds) and increase hut revenues by approximately $30,000.

5.1.2 Consultation and Critical Issues Raised

Internal

- Most respondents supported consistency and simplicity.
- If hut age groups were aligned to campsites, Great Walks ages should follow suit in the next review.

External

- Most respondents supported aligning hut and campsite ages to 5-17.
- One submission suggested Serviced hut prices increase to $25, plus adding a charge for Basic/Bivvy huts (currently free) and making kids 0-17 free to help foster recreation.

5.1.3 Conclusion

Aligning "child/youth" ages to 5 to 17 across the two DOC facility types (huts and campsites) and passes would ensure consistent pricing across the two accommodation categories and their respective user groups.

Table 13 - Suggestions for revised fee age groups [bold = ages updated]

Campsite fee and pass age groups	Hut fee and pass age groups	Age groups of other paid experiences (Great Walks, Sole occupancy, etc.) *Note: Fees are outside of the scope of this review*
Adult (18+ years)	Adult (18+ years)	Adult (18+ years)
Child/youth (5–17 years) Fee: 50% of adult fee	~~Youth (10-17 years)~~ Child/youth (5–17 years) Fee: 50% of adult fee	~~Youth/Child (17 and under)~~ Child/youth (5–17 years)
Infant (0–4 years) Fee: Free	~~Child/infant (0-9 years)~~ Infant (0–4 years) Fee: Free	Infant (0–4 years)

For consistency and simplicity, age group ages should be aligned across all of DOC's paid experiences immediately, and pricing should be consulted on within future scheduled price reviews (e.g. The Great Walks, Morere Hot Springs, Mansion House).

5.1.4 Recommendation

Child/youth ages are set to 5-17 years for all of DOC's paid experiences and passes. Refer to Table 13 above for the proposed changes.

5.2 The Backcountry Hut Pass

5.2.1 Findings from the Analysis

- The Backcountry Hut Pass (BCHP) provides access to most of the Department's Serviced and Standard huts.
- Users have provided feedback that BCHP exclusions contribute to confusion and affects pass value. Excluded huts include:
  - 21 huts over the peak season (with non-standard pricing)
  - 13 Serviced Alpine huts, Great Walk huts, and all (34) Sole-occupancy facilities
  - 20 DOC-branded huts that are listed on the DOC website are not owned by DOC.

- The 2020 review[17] of the BCHP resulted in a pass price increase of 14.3% and minor decrease in pass value due to a net increase in excluded facilities. The review recommended that a broader review of the pass and that a Te Araroa pass should be explored.
- The 2021 review[18] of non-Great Walk differential pricing concluded that a +50% pricing differential for non-residents purchasing a pass product (BCHP or campsite pass) would be appropriate.
- From July 2021, Backcountry Hut Passes are purchased online via the DOC booking system, and pass stays for bookable huts must be pre-booked online.
- When buying a pass online, users select a date when their (6 or 12-month) pass will begin. Passes expire after the selected period. Physical hut tickets currently do not expire and can potentially be used repeatedly.
- Shorter hut passes (e.g. 7-day passes) could replace physical hut tickets.
- The proposed service category price increases are 100% for Standard huts ($5 to $10) and 67% for Serviced huts ($15 to $25). A pass price increase that is less than the category percentage increases will improve the passes value and is likely to contribute towards an increase in pass sales relative to hut ticket sales (tickets are priced equal to the category fees).

5.2.2 Consultation and Critical Issues Raised

Internal

- In general, hut tickets are outdated, and most agreed they are not user friendly.
- BCHP should be further promoted to negate non-compliance and improve simplicity.
- Shorter time frame hut passes proposed, such as a weekly pass.

External

- Many wanted to see less exclusions and complications in the BCHP, and more huts brought online to be bookable.
- Some stakeholders would like a system review approach prioritised before adjusting the BCHP price.
- Most stakeholders agree that the BCHP is an effective way to enforce a network fee and increase compliance.
- Emerging theme that the BCHP is very poor value for everyday trampers and excessive value for Te Aaroa trail walkers.

5.2.3 Conclusion

Stakeholder feedback and DOC recognise that there are many issues with the BCHP. DOC plans to review the BCHP, which should be part of the proposed **Payment System Review**[19] (discussed in section 5.4, page 23). **As an interim step** to the Payment System Review, a price increase of 11% (CPI) is required. Refer to Table 14 for proposed pass prices from 1 July 2023.

Table 14 - Proposed Backcountry Hut Pass prices

Hut pass type	Current pricing	Proposed pricing recommendations (+11%)
6-month pass	Adult: $108 Child/Youth: $54	Adult: $120 Child/Youth: $60
Annual	Adult: $144 Child/Youth: $72	Adult: $160 Child/Youth: $80

[17] Review of Backcountry Hut Pass (2020) - DOC-6530875
[18] Non-GW differential pricing work: DOC - 6821308
[19] The Payment System Review will need to be officially approved prior to implementing into the FY24 work plan

While an 11% price increase is proposed, the relative value of the BCHP would improve due to the higher proposed hut price increases (refer to section 3, page 11). This is expected to increase BCHP purchases/use instead of hut tickets.

5.2.4 Recommendation

Increase the adult annual BCHP to $160 ($80 for child/youth) and the adult 6-month BCHP to $120 ($60 for child/youth).

5.3 Hut Tickets

5.3.1 Findings from the Analysis

- Hut tickets were introduced in 1988, at a time when there were more rangers in the field conducting compliance checks than is currently the situation. This has resulted in a higher-trust model than in the past.
- Tickets do not expire until the user writes their start date on the ticket. There is the potential for some users to avoid paying or not to validate their hut tickets until asked by a warden.
- Hut tickets are a physical form of payment that can be purchased at visitor centres and some outdoor stores. Hut tickets are the only way to pay for 95% of DOC Huts yet contribute less than 30% of hut revenue.
- Third-party operators who have signed a DOC Booking Agent Agreement and sell more than $7,000 in DOC hut tickets receive 10% commission. The total commission paid in FY22 was $32,000. See table below for a breakdown of ticket sales.
- Increasing the number of bookable huts would increase revenue, reduce customer confusion, and reduce the commission paid to third parties.

Table 13 – FY22 hut ticket sales by channel (VC or 3rd party retailer)

Hut Ticket Retailer	Sales ($)	% Total Hut Ticket Sales
Bivouac*	$180k	29%
Kathmandu*	$73k	12%
MacPac	$67k	11%
Hunting & Outdoor retailers (6 locations)	$10k	2%
iSites (5 locations)	$5k	1%
Other retailers	$5k	1%
Third-party ticket sales	**$339k**	**56%**
DOC VC ticket sales	$270k	44%
Total Hut Ticket Sales	**$609k**	**100%**

* Retailers eligible for 10% commission (sales > $10K)

5.3.2 Consultation and Critical Issues Raised

Internal

- Agreed that hut tickets are outdated and is an area of opportunity within the system.
- Agreement that hut tickets should have an expiration date.
- Hut tickets can be a barrier for those who want to pay.

External

- Acknowledge that compliance is one of the largest issues.
- Many suggested reintroducing physical hut passes that are colour coded or unique so that they can be easily identified and would help with payment compliance.
- Many stakeholders suggested ticket designs should change annually to help improve payment compliance.
- Free/Basic huts are not free to maintain and suggestions that DOC should introduce a small fee to help cover ongoing deferred maintenance costs.

5.3.3 Conclusion

Physical tickets may no longer be fit-for-purpose and a lack of an expiration date or annual design change does not help with payment compliance. Tickets could be replaced with shorter term hut passes (e.g. one week) and more bookable facilities.

Discontinuing tickets or implementing a hut ticket user friendly system that encourages compliance should be explored within the **Payment Systems Review** (discussed in section 5.4, page 23).

5.3.4 Recommendation

Ticket prices to be increased in line with category price changes (refer to section 3, page 11) and hut tickets re-designed to include an expiry date field.

5.4 Hut Payment Systems Review

5.4.1 Findings from the Analysis

This review, past work, and stakeholder feedback identified several issues and opportunities that need to be considered to develop and effective payment system:

Hut Tickets issues & opportunities

- Hut tickets are outdated, not user friendly and don't promote compliance.
- Hut tickets are phased out and replaced with bookable facilities, or online hut passes.

Backcountry Hut Pass issues:

- Some views that the hut pass has poor value, even for the more active tramper (requires 30 nights in a Standard hut to recoup value).
- Excessive value for TA walkers (approximately $1 a night for accommodation).
- Some views that the hut pass has too many exclusions, causing customer confusion and frustration.

Backcountry Hut Pass opportunities:

- Introduce a variety of passes with no exclusions that cater to different user groups:
  - Backcountry Network Pass: For stays in Basic/Bivvy and Standard huts, and for camping at Serviced huts.
  - Deluxe Pass: A more expansive pass for hut and campsite stays in all non-GW huts
  - Specialty passes: Te Araroa Pass, Hut + Hunting/fishing permits
- Introduce shorter term hut passes (example: one week, in-season/off season, etc).
- Introduce a hut pass that includes basic/bivvys as these huts are not costless to maintain.
- Explore how community groups can assist with pass sale and benefit from pass revenue.

5.4.2 Conclusion

This review and stakeholder feedback highlighted wider system problems and efficiencies, and identified a range of issues and the challenges faced by DOC. Because the scope of these issues is broad and sensitive, it is recommend that the payment system itself requires review.

A booking policy review is scheduled for FY23, the scope of which includes payment compliance considerations.

A review of the current BCHP was planned for FY24. This work should be expanded to include all payment systems relating to huts and including hut tickets and passes.

5.4.3 Recommendation

A **Payment System Review** is recommended as priority work for Strategy, Investment and Pricing Team in FY24.

6 Risks

The proposed price changes impact almost 500 individual DOC-managed huts across most of the department's 45 operational districts.

A risk assessment was completed to identify reputational, customer experience, and operational risks associated with the proposed price changes. Risks were identified through extensive internal and external stakeholder engagement and learnings from past price changes (e.g. FY22 campsite review). Steps to mitigate the identified risks are noted below and will be considered/addressed during price implementation planning and developing a comprehensive communication plan.

Risk Type	Risk	Probability / Impact	Mitigation
Reputational Risk	External organisations' view that DOC is not taking immediate steps to solve outstanding issues with the payment system.	Probability: Medium Impact: Low	The reason for the delay is because feedback highlighted an extensive list of system issues and addressing these was outside of the scope of the price review. This indicates a payment system review with stakeholder engagement is required. Prioritising the Payment Systems Review and keeping stake holders engaged in this work will help to demonstrate the Department's commitment to the hut network.
	The view that a price increase will not encourage participation in New Zealand's outdoors.	Probability: High Impact: Medium	Communicate that more New Zealanders frequent day walks and short hikes. Additionally, the new Serviced and Standard huts prices are in line with what other non-profit organizations are offering for similar facilities. Communicate DOC's range of price points, including camping and vast network of short walks and day walks that cost nothing.
	Views that weekend pricing will discourage families and those than do not have flexibility to stay at huts mid-week.	Probability: Medium Impact: Low	Focus communications that weekend pricing is a proven demand management tool. In 20/21 the share of child/youth/infant bednights increased on days with weekend pricing from 34% to 36%. Conversely there was a decrease in child/youth/infant weekday stays at lower prices.

Risk Type	Risk	Probability / Impact	Mitigation
Reputational Risk (cont'd)	an Raising of a question of fairness or ethics of increasing prices while reducing service levels for Serviced huts? (e.g. no longer providing firewood);	Probability: Low Impact: Medium	Communicate that DOC is operating in an environment of budget constraints, rising construction and maintenance costs and reduced revenue (such as from concessions, the international visitor levy and accommodation fees), partially due to the impacts of COVID-19 on New Zealand over the last two years. The cost to maintain huts has increased significantly while the price has remained relatively stagnant since 1988, resulting in low cost recovery.
Customer Experience Risk	Ongoing customer frustration caused by complexities and too many exclusions with the payment system, including poor value for BCHP and hut tickets.	Probability: Medium Impact: Low	Many stakeholders cited customer frustration due to system and payment overcomplications. Most sources of frustration will not be resolved in this review. However, undertaking a Payment Systems review would mitigate this risk (it is recommended to take place FY24). It should also be recognised that DOC simplified the exclusions in the last BCHP price review.
	Implementing weekend pricing in addition to service category increases may discourage families.	Probability: Medium Impact: Low	Focus key messaging that 20/21 weekend pricing data demonstrates that weekend pricing increased youth participation on weekends and that overall bednights increased with weekend pricing in place.
	Aligning youth ages to campsites may discourage families.	Probability: Low Impact: Low	Focus messaging that aligning age categories to campsites will improve user frustration and fee consistency across all user groups.
Operational Risks	Hut tickets are sold via DOC Visitor Centres and third-party retailers. Ticket design and price changes must be carefully coordinated to ensure that ticket changes are consistently implemented through sales channels.	Probability: Medium Impact: Medium	Coordinate with visitor centres and all relevant parties as early as possible to develop efficient and effective communication streams. Also BCHP is now being sold online.
	Inconsistent implementation of any required signage updates for new prices (due to a lack of centralised product ownership and point of contact to coordinate hut signage updates).	Probability: Low Impact: Medium	Coordinate required changes with Operations Planning, the operations pipeline, and Operations work orders where physical sign updates are needed. Work orders can be centrally audited to ensure consistent signage updates across all 45 DOC districts.

7 Appendices

7.1 Appendix 1 – Market Survey Analysis

Non-DOC Pricing Strategy - Summary by Region

The tables below details of non-DOC huts by region. region. The market survey included 64 paid external huts which were either managed by commercial operators or non-profits.

Table 15 - Paid non-DOC Huts per Region

Region	Huts	Avg Price
Northern North Island	0	n/a
Central North Island	1	$15
Hauraki, Waikato, Taranaki	0	n/a
Lower North Island	6	$30
Northern South Island	3	$9
Eastern South Island	29	$29
Western South Island	10	$31
Southern South Island	15	$30
National Total	64	**$28**

7.2 Appendix 2 – International Structures

For further detail please see Parcs Canada 2020 fee structure document: DOC-6848693.

Table 16 – Parcs Canada 2020 Market Scan

name	bunks	DOC Category	Owner	Access	Adult Public Price CAN$ (per bunk)	Sell strategy
ELIZABETH PARKER HUT	24	Serviced	ACC	public	$50	Member Pricing & Seasonal Pricing
STANLEY MITCHELL HUT	22	Serviced	ACC	public	$50	Member Pricing & Seasonal Pricing
ELK LAKES CABIN	14	Serviced	ACC	public	$25	Seasonal
MOUNT COLIN CENTENNIAL HUT	6	Serviced	ACC	public	$60	Member Pricing & Seasonal Pricing
TANTALUS HUT	16	Serviced	ACC	public	$35	Member Pricing & Youth Pricing
WENDY THOMPSON HUT	16	Serviced	ACC	public	$20	Member Pricing & Youth Pricing
PETER AND CATHARINE WHYTE	18	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
BOW HUT	30	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
BALFOUR HUT	18	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
SCOTT DUNCAN HUT	12	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
A.O. WHEELER HUT	20	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
ASULKAN CABIN	10	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
SAPPHIRE COL HUT	4	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
NEIL COLGAN HUT	18	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
CASTLE MOUNTAIN HUT	4	Serviced Alpine	ACC	public	$50	Member Pricing
BEN FERRIS (GREAT CAIRN) HUT	6	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
CONRAD KAIN HUT	35	Serviced Alpine	ACC	public	$25	
LLOYD MACKAY (MT. ALBERTA) HUT	6	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
SYDNEY VALLANCE (FRYATT) HUT	12	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
WATES-GIBSON HUT	26	Serviced Alpine	ACC	public	$50	Member Pricing & Seasonal Pricing
JIM HABERL HUT	12	Serviced Alpine	ACC	public	$40	Member Pricing
GLACIER CIRCLE CABIN	8	Standard	ACC	public	$50	Member Pricing & Seasonal Pricing

[1] The prices listed are the maximum price. The rates may be lower depending on seasonality, price incentives, and the potential application of other promotional price incentives.

7.3 Appendix 4 – Index Documents

Reference Documents

Price Review Plan and Timeline: DOC-7106539
Previous campsite price reviews: DOC-883500, DOC-3000185, DOC-5913956
CaPS Standard Operating Procedure for Price Setting: DOC-6532099
DOC Booking Policy: DOC-6495507
Internal Consultation:DOC-7140028
Phase 2 External Consultation: DOC-7203098
Phase 3 External Consultation: DOC-7203106

Analysis Files

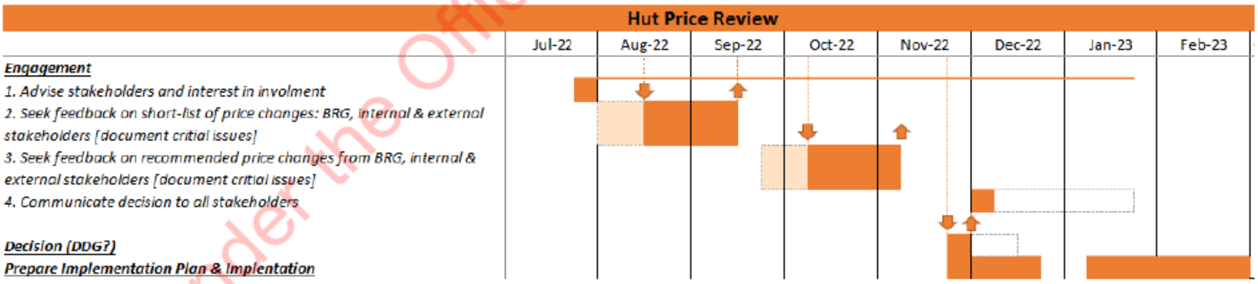
CPI Analysis: DOC-7198268
Revenue Analysis: Category Pricing DOC-7198016
Market Survey of Non-Doc Huts: 7112223
Occupancy Model: DOC-7059116
Weekend Pricing Impacts: DOC-7203132

Final Deliverables

Summary Slide Pack: DOC-7203030
DDG Sign-off Sheet: DOC-7212326
Detailed Report (this document): DOC - 7205511
Implementation Plan: DOC-7212354

7.4 Appendix 5 – Consultation

Initial engagement timeline & plan: DOC 7106539



Internal engagements

	Phase 2	Phase 3
	Consultation document: DOC-7134319 **Feedback:** DOC-7140028	**Feedback via MS Teams Call, mobile phone, email**
Business Reference Group	Steve Sutton, Nayan Jeram, Katherine Hughes, John Reid, Laree Furniss, Lizzy Sutcliffe, Mark Townsend, Robert Ashe, Ross Shearer, Michael Hayward	Steve Sutton, Nayan Jeram, Katherine Hughes, John Reid, Laree Furniss, Lizzy Sutcliffe, Mark Townsend, Robert Ashe, Ross Shearer, Michael Hayward

Operations at impacted huts		John Wotherspoon, Daryl Stephens, David Butt, Owen Hale, Richard Kennett, Michael de Boulay, Aaron Lunt, Sean Rudman
Support Functions (in addition to those in the BRG)	Brian Dobbie (PSP), Carly Strausberg (PSP), Lizzy Sutcliffe (CEU), Julia Wells (CEU), Chris Berry (SI), Jesvier Kaur (SI), Carly Reid (NVC), Rosanne Stewart (SI)	Brian Dobbie (PSP), Carly Strausberg (PSP), Lizzy Sutcliffe (CEU), Julia Wells (CEU), Chris Berry (SI), Jesvier Kaur (SI), Carly Reid (NVC), Rosanne Stewart (SI), Nick Graham (CEU)

External stakeholders

	Phase 1	**Phase 2**	**Phase 3**
Organisations approached	**Involvement Response**	**Consultation document:** DOC-7130689 **Feedback:** DOC-7203098	**Consultation document:** DOC-7183511 **Feedback:** DOC-7203106
Federated Mountain Clubs (FMC)	Yes	Yes	Yes
Backcountry Trust	Yes	Yes	Yes
Deer Stalkers NZDA	No response	No response	Yes
Tourism Industry Aotearoa	Yes	Yes	No response
Te Araroa Trust	Yes	Yes	Yes
Land SAR	Yes	No response	No response
Scouts	No response	No response	No response
Girl Guides	No response	No response	No response
Recreation Aotearoa	No response	No response	Yes
Council Outdoor Recreation Association (CORANZ)	No response	No response	No response
NZ Alpine Club	No response	No response	Yes
Kaimai Ridgeway Trust	Yes	Yes	Yes
iSites	Yes	No response	No response

7.5 Appendix 6 - Distribution of DOC hut offerings and price-point by district

DOC offers a variety of huts with different price points to cater to various visitor groups and preferences. Outside of DOC, hut offerings vary from privately guided walks with "luxury" huts to basic shelters with no facilities.

DOC offers the largest number of Alpine Serviced huts (8, or 49% of total) in the ESI region, the largest number of Standard huts in the LNI region (127, or 30% of total), and the largest number of Basic/Bivy huts

(114, or 29% of total) in the ESI region. Serviced huts were well distributed though the CNI (14, or 12% of total), ESI (16, or 15% of total), LNI (10, or 12% of total), NSI (14, or 16% of total), and SSI (16, or 18% of total) regions.

DOC's hut offerings are categorised from Basic/Bivy with no amenities to Serviced or Serviced Alpine which have a larger range of facilities and services. Currently the ESI and SSI regions have the most Basic (free) huts at a combined 215 (55% of total basic/bivy huts).

The distribution of public conservation land should be considered in tandem with the geographical supply of huts. The majority of public conservation land is located in the South Island which rationalizes the higher concentration of huts in these parts.

Figure 2 – Regional Distribution of DOC Huts by Service Category (%)

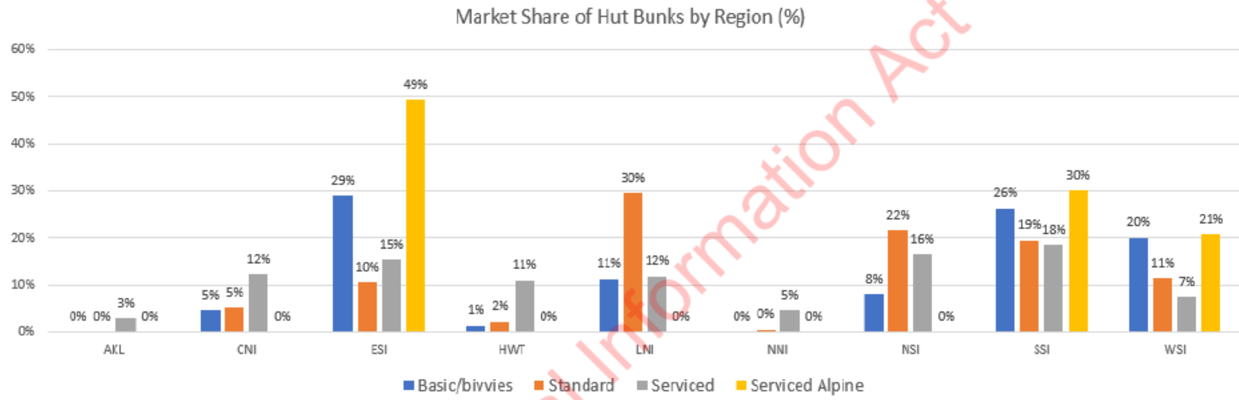


Figure 3 – Regional Distribution of DOC Huts by Service Category (%)

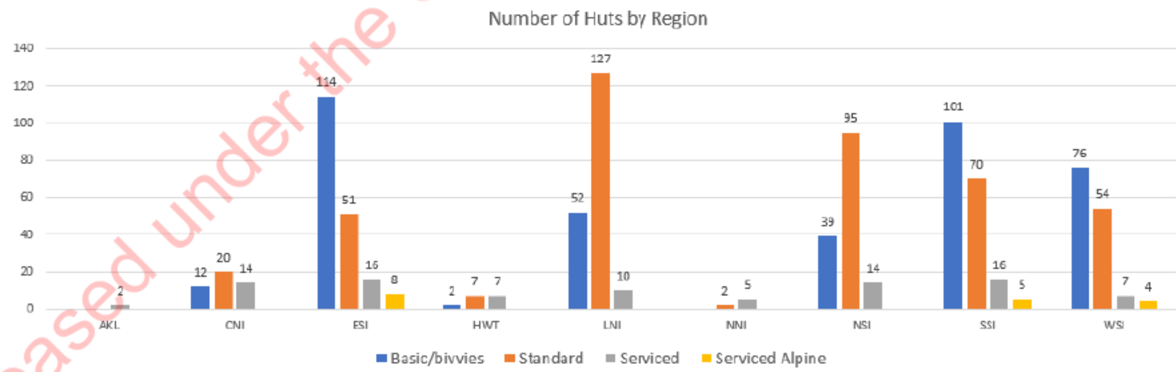
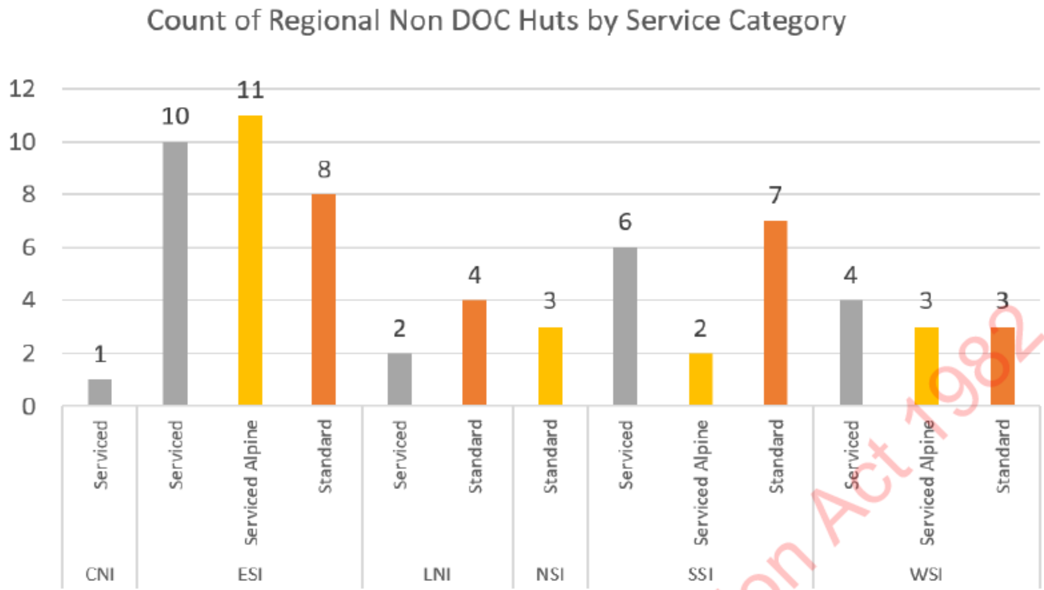


Figure 4 – Regional Distribution of non DOC Huts by Sercive Category



Findings from the Analysis

- Serviced huts are well distributed across 5/9 regions in New Zealand.
- Serviced Alpine huts are only located in 3/9 regions in NZ.
- The ESI region offers mostly free huts at 60% of total hut bunks offered, significantly higher than any other region.
- The LNI and NSI both offer mostly standard huts at 67% and 65%, respectively, of total huts bunks offered in the regions.
- Serviced DOC huts in NSI, SSI, and WSI are more likely to be higher priced than other regions.
- Serviced alpine huts in the SSI region are on average, priced higher than other regions.
- Further work needs to be done to understand the concentration of huts, specifically how it relates to the distribution of public conservation land.
- Overnight and multi night hut tramping is a relatively niche activity, which raises the question of whether DOC should locate huts closer to national parks and scenic conservation area, or closer to population centres.
- Further work needs to be done to understand the demographic that stays in DOC huts.