



1 August 2025

Conservation House  
18 Manners Street  
Wellington 6011

doc.govt.nz

Ref: OIAD-5415

Tēnā koe 

Thank you for your request to the Department of Conservation (DOC), received on 4 July 2025, in which you asked for:

*“Under the Official Information Act 1982, I request the following information relating to the Subantarctic Commercial Tourism Review and associated fee increases:*

- 1. A full copy of the Subantarctic Commercial Tourism Review and any supporting reports or documents used to inform the fee increases (including the independent fee review referred to in Section B of the 30 June 2025 operator communication).*
- 2. A detailed explanation of how cost increases were calculated for the Visitor Impact Management (VIM) and concession activity fees, including:*
  - 1. Methodology used.*
  - 2. Cost components considered*
  - 3. Comparisons with other fee-setting environments (as requested by operators)*
  - 4. Do you have any assumptions or justifications in the review?*

*If any documents are withheld in part or in full, please provide the grounds for withholding as per the Act.”*

We have considered your request under the Official Information Act 1982 (the OIA).

In late 2024, DOC contracted an independent, external review of the concession activity fee and the Visitor Impact Management (VIM) fee that DOC charges concessionaires taking visitors to New Zealand’s Subantarctic Islands.

The review found the concession activity fee, last reviewed in 2015, was not at market value and that the entry permit VIM fee, last reviewed in 2014, was not appropriately recovering DOC costs for managing cruise ships visiting the islands. The review recommended DOC markedly increase both fees and DOC approved the recommended increases to fees on 30 June 2025.



Department of  
Conservation  
*Te Papa Atawhai*

**Te Kāwanatanga  
o Aotearoa**  
New Zealand Government

Your questions and our responses are listed below:

1. *A full copy of the Subantarctic Commercial Tourism Review and any supporting reports or documents used to inform the fee increases (including the independent fee review referred to in Section B of the 30 June 2025 operator communication).*

A copy of the independent fee review report referred to in the 30 June operator communication is attached. There was no review other than that review.

On page 28 of the review report there is reference to the Percentage of Revenue Framework that was previously applied by DOC. There is information about that Framework available on our website here: <https://www.doc.govt.nz/get-involved/have-your-say/all-consultations/2021-consultations/percentage-of-revenue-framework-review/>.

For completeness, the decision memos relating to the review's recommended fees are also released to you (attached as items 2 and 3).

2. *A detailed explanation of how cost increases were calculated for the Visitor Impact Management (VIM) and concession activity fees, including:*
  1. *Methodology used*
  2. *Cost components considered*
  3. *Comparisons with other fee-setting environments (as requested by operators)*
  4. *Do you have any assumptions or justifications in the review?*

The review report document released in response to Question 1 provides an explanation of how fee increases were calculated for both the concession activity fee and the Visitor Impact Management (VIM) fee. It also covers the four specific areas listed; however additional information is provided below to further address those four areas.

## **2.1 Methodology used**

Concession activity fee methodology: The new activity fee was determined by using published ticket prices for advertised itineraries to conservatively estimate gross revenue being received by tourist operators for each unique visitor to the Subantarctic Islands, then using a percentage of that (4%) to inform the per person fee.

Factors accounted for in the detail of the calculation include number of scheduled landing days, currency/exchange rate, the range of ticket prices (with only the lowest non discounted price factored in), and number of voyages.

The percentage used to inform the new per person fee is at the low end of the range that DOC uses for other concessions. It considers DOC's standard percentage of gross revenue fee for large guiding operators (7.5%), the exclusivity of the concession opportunity, the level of investment required by tourist operators to offer trips to the Subantarctic Islands, and the contribution made by tourist operators to the preservation of the Islands.

The review considered a range of other approaches for establishing market value. The approach used was deemed most appropriate as it links clearly to market value and is practical to calculate and administer.

VIM fee methodology: the new VIM fee was determined by considering each of DOC's functions related to the Subantarctic Islands and assessing whether the funding should come from the Crown or be recovered from third parties. Where recovery from third parties was deemed appropriate, consideration was given to whether the full cost or only part of it should be recovered through the VIM fee. The main cost drivers are visitor management costs related to cruise ships and asset costs.

## **2.2 Cost components considered**

Cost components are not relevant for the concession activity fee because this fee is a royalty for use of Crown land.

Information about the cost components considered for the VIM fee is outlined on pages 33-39 and Appendix 6 of the fee review report released to you.

## **2.3 Comparisons with other fee-setting environments**

The review of the concession activity fee considered whether market value could be established by benchmarking – by looking at similar fees for comparable sites. The assessment did not find comparable fees suitable for benchmarking against, and this option was not used to establish market value.

The different approaches to establishing market value that were considered for the concession activity fee are outlined on pages 20-25 of the report.

A comparison with other fee-setting environments is not relevant for the VIM fee because the basis for this fee is cost recovery.

## **2.4 Assumptions or justifications in the review**

The review report includes assumptions and justifications throughout. Appendix 3 and Appendix 5 of the report specifically outline fee calculation assumptions.

There are three documents that contain information in scope of your request:

<b>Item</b>	<b>Date</b>	<b>Document description</b>	<b>Decision</b>
1	3 June 2025	Subantarctic Islands tourist fees review	<i>Released in part</i>
2	24 June 2025	Memo - Subantarctic Island Concession Activity Fee Review - for decision	<i>Released in part</i>
3	24 June 2025	Memo - Subantarctic Island Entry Permit VIM Fee Review - for decision	<i>Released in part</i>

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the OIA, as applicable:

- personal information, under section 9(2)(a) – to protect the privacy of natural persons,

- free and frank expression under section 9(2)(g)(i) – to maintain the effective conduct of public affairs,
- advice subject to legal privilege, under section 9(2)(h) - to maintain legal professional privilege,
- confidential information, under section 9(2)(j) – to enable the Crown to negotiate without disadvantage or prejudice.

In making my decision, I have considered the public interest considerations in section 9(1) of the OIA and determined there are no public interests that outweigh the grounds for withholding.

You are entitled to seek an investigation and review of my decision by writing to an Ombudsman as provided by section 28(3) of the OIA.

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

If you would like to discuss this response with us, please contact Ruth Isaac Deputy Director-General Policy and Regulatory Services by email to [risaac@doc.govt.nz](mailto:risaac@doc.govt.nz).

Nāku noa, nā

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke that curves upwards at the end.

Ewan Delany  
Chief Advisor Policy and Regulatory Services  
Department of Conservation  
*Te Papa Atawhai*