

1 August 2025

Conservation House
18 Manners Street
Wellington 6011

doc.govt.nz
Ref: OIAD-5416

Tēnā koe [REDACTED]

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

"I am writing under the Official Information Act 1982 to request information on how revenue collected from Subantarctic tourism permit fees is allocated and distributed. Specifically:

- 1. How is revenue from the Visitor Impact Management (VIM) fee and concession activity fee allocated within DOC?*
- 2. What proportion of this revenue is returned to the Subantarctic Islands for conservation or operational purposes?*
- 3. Do you have any documentation outlining how these funds are budgeted, prioritised, or reinvested in the region?*
- 4. Copies of any internal communications, policy documents, or financial breakdowns that show how DOC manages or tracks revenue from these fees.*

I would appreciate the release of any guidance documents, spreadsheets, or policy frameworks that explain this process."

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

The two main fees DOC charges concessionaires taking visitors to New Zealand's Subantarctic Islands, the concession activity fee and the Visitor Impact Management (VIM) fee, are treated differently in terms of allocation and distribution because they each have a different basis.

The concession activity fee is the Crown's financial return from the granting of an opportunity to an individual, or organisation, to conduct a trade, business, or occupation on public conservation land (i.e. this fee is collected as Crown revenue). Section 17Y of the Conservation Act 1987 requires concession activity fees to be based on market value. The Minister of Conservation and the Treasury expect DOC to receive a fair price from those using and operating on public conservation land.

The VIM fee is a departmental fee based on cost recovery of DOC's actual and reasonable costs for managing cruise ships visiting the islands. The revenue collected from this fee is

allocated through DOC's internal budgeting processes and the funds are immediately available for DOC's use.

Your questions and our responses are listed below:

We have provided information about VIM fee revenue for the past two years to assist with our answers.

- 1. How is revenue from the Visitor Impact Management (VIM) fee and concession activity fee allocated within DOC?*

Concession activity fee

DOC collects concession activity fees as a royalty on behalf of the Crown. All concession activity fee revenue goes to The Treasury as it is Crown revenue. Generally, although not strictly required, this revenue is redistributed by allocating it back to DOC as part of the following year's budget allocation (i.e. the activity fee revenue contributes to DOC's baseline funding). Under this arrangement, activity fees from concessionaires contribute to funding DOC's core functions such as track/hut maintenance and pest control. Activity fee revenue is not 'ring-fenced' to any particular locations or functions.

VIM fee

For the 2023/24 and 2024/25 years, all revenue from the VIM fee was allocated to either the annual operational expenditure budget of DOC's Murihiku District Office, for direct costs relating to the Subantarctic Islands (the majority of the revenue is allocated here), or to the Murihiku District salaries and overheads budget, as a contribution towards delivering work that supports the Subantarctic Islands, such as biosecurity and the quarantine store.

DOC operates on a financial cycle of July to June. The amount of VIM fee revenue to be potentially earned from a cruise ship season (November – February) is not known at the time an upcoming financial year's annual budget is being prepared.

Baseline Updates occur in October, March and May. The Baseline Update process enables approved adjustments to be made to the budget through the year.

During the October Baseline Update process an estimate of the VIM fee revenue to be earned is made and this is adjusted as the season progresses. The estimation is based on the confirmed number of cruise ship voyages for the upcoming season. At the same time, the corresponding amount of expenditure, split between district operational and regional salary/overhead expenditure is adjusted.

When the cruise ship season concludes in late February/early March the actual revenue figure is calculated. The difference between the estimated and actual revenue is submitted as part of the March Baseline Update process. The expenditure amount corresponding to the additional revenue is also adjusted at this time.

2. *What proportion of this revenue is returned to the Subantarctic Islands for conservation or operational purposes?*

Concession activity fee

We cannot say what proportion of the Subantarctic Island Guiding Permit concession activity fee revenue is returned to the Islands for conservation or operational purposes. As outlined in Question 1, that revenue, alongside concession activity fee revenue from other concessions, forms part of DOC's baseline funding (assuming it is redistributed back to DOC).

VIM fee

For 2023/24 and 2024/25, all VIM fee revenue was returned to the Subantarctic Islands for conservation and operational purposes.

The recently completed Subantarctic Islands tourist fees review calculated that the average annual cost for DOC to undertake its Subantarctic Island work programme is currently about \$6.4 million. This figure is inclusive of all salaries, overheads, operational expenditure, asset depreciation and asset capital charges. Once DOC's revenue from the International Visitor Levy and Conservation Services Programme (<https://www.doc.govt.nz/our-work/conservation-services-programme/about-csp/>) is deducted from the \$6.4 million, the VIM fee revenue still provides only a contribution to the remaining costs. The remainder of the costs are funded by DOC's core revenue.

The total VIM fee revenue earned was \$881,000 for 2023/24 and \$822,000 for 2024/25 (excluding GST). These figures are inclusive of VIM fees for landings achieved, VIM fees for landing allocation surrendered and VIM fees for landing allocation not used.

The total VIM fee revenue spent was \$825,000 for 2023/24 and \$735,000 for 2024/25. While there is a surplus between VIM fee revenue earned and VIM fee revenue spent, the regional salaries/overhead contribution is only a proportion of the total DOC salaries/overheads required for managing the Subantarctic Islands, so that surplus in effect 'tops-up' an already under-representative salaries/overhead allocation.

3. *Do you have any documentation outlining how these funds are budgeted, prioritised, or reinvested in the region?*
4. *Copies of any internal communications, policy documents, or financial breakdowns that show how DOC manages or tracks revenue from these fees.*

We have combined our response to Question 3 and Question 4.

Concession activity fee

As outlined in Question 1 and 2, concession activity fee revenue is not treated in a way that gives rise to the types of documentation you requested in Question 3 and Question 4.

VIM fee

The VIM fee revenue is tracked in DOC's financial system SAP Analytics Cloud, within the Murihiku District budget. The district also engages a spreadsheet (attached) which is reconciled against departmental financial systems.

The below table summarises how the VIM fee revenue from the past two seasons has been spent. This largely reflects direct expenditure - not all overheads are captured.

Key function	2023/24 ('000)	2024/25 ('000)
Salaries/overhead contribution	\$121	\$128
Navigation safety	\$249	\$106
Asset management	\$180	\$308
Cruise ship tourism	\$90	\$93
Biodiversity	\$70	\$0
Biosecurity	\$115	\$85
Other	\$0	\$15
Total expenses	\$825	\$735
Total VIM revenue	\$881	\$822

There is also one document (a spreadsheet) that contains information in scope of your request:

Item	Date	Document description	Decision
1	23 July 2025	VIM fee revenue reconciliation spreadsheet	<i>Released in full</i>

The spreadsheet provides more detail, including expenditure planned against the expenditure estimated at the October Baseline Update, expenditure planned against the extra revenue identified at March Baseline Update, and actual expenditure and actual revenue.

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 document 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.

Nāku noa, nā



Ewan Delany
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Department of Conservation
Te Papa Atawhai