Department of Conservation
Te Papa Atawhai

Briefing: International Visitor Levy investment proposal - carpark charging pilot

ITEM 3

To	Minister of Conservation	**Date submitted**	30 July 2024
Action sought	**Approve** International Visitor Conservation and Tourism Levy funding for a carpark charging pilot.	**Priority**	Normal
Reference	24-B-0342	**DocCM**	DOC-7697260
Security Level	In Confidence		

Risk Assessment	Low	**Timeframe**	8 August 2024
Attachments	Attachment A – Map of 2024/25 pilot sites Attachment B – Financial analysis of pilot sites		

Contacts	
Name and position	**Cell phone**
Stephanie Rowe, Deputy Director-General, Biodiversity, Heritage and Visitors	9(2)(a) [redacted]
Catherine Wilson, Director, Heritage and Visitors	9(2)(a) [redacted]
Joe Ellingham, Principal Commercial and Revenue Advisor, Heritage and Visitors	9(2)(a) [redacted]

We recommend that you … (Ngā tohutohu)

		Decision
a)	**Note** that on 9 May 2024 you directed us to prepare a business case and an International Visitor Conservation and Tourism Levy (**IVL**) investment proposal for a carpark charging pilot	*Noted*
b)	**Agree** to fund a three year carpark charging pilot 9(2)(i) over the summer of 2024/25 and 2025/26 from the IVL for capital and operating costs.	Yes / No
c)	**Agree** to forward this briefing to the Minister for Tourism and Hospitality for their information.	Yes / No

Date: / /

Stephanie Rowe
Deputy-Director General, Biodiversity, Heritage and Visitor

Date: / /

Hon Tama Potaka
Minister of Conservation

Purpose – Te aronga

To seek your agreement to fund a carpark charging pilot using the International Visitor Conservation and Tourism Levy (**IVL**).

Background and context – Te horopaki

1. On 31 July 2024 you are taking a joint paper with the Minister for Tourism and Hospitality to the Cabinet Economic Priorities Committee (**ECO**) to seek approval to raise the IVL rate from $35 to $100. This followed public consultation on the possibility of raising the IVL rate and how that revenue should be spent. Decisions on the allocation of additional revenue were not sought from ECO. It is intended that any change to the IVL rate would take effect from 1 October 2024 to align with other immigration changes.
2. Revenue from the IVL is currently split between tourism and conservation. It generated $62.5 million in 2023/24. At end of June 2024 there was $11 million of collected but unallocated IVL funding available for conservation.
3. In May 2024, we advised you that we do not currently charge for any DOC-managed carparks, and that there was a strong case to investigate implementing carpark charges as a revenue generation and visitor management tool (24-B-0186 refers).

We have prepared a preliminary business case for a carpark charging pilot

4. You instructed us to prepare a business case for a carpark charging pilot. You agreed this should include an investment proposal for the IVL to cover the upfront capital investment required and additional FTE to drive implementation of revenue opportunities.

5. We propose to run a carpark charging pilot over the summer of 2024/25 and 2025/26 at up to seven sites, funded through the IVL. The purpose of the pilot would be to:

   - establish a new mechanism to generate revenue from visitors
   - support the efficient management of carparking at sites under high visitor pressure over summer of 2024/25 and 2025/26
   - provide insights into the costs and returns associated with different approaches to carpark charges and carparks with different characteristics.

6. We are undertaking detailed analysis of three sites to pilot carpark charges – Punakaiki (Dolomite Point), Tongariro Alpine Crossing (Mangatepopo) and Aoraki/Mount Cook National Park (White Horse Hill). A map of these potential sites can be found in **Attachment A**.

7. We have undertaken an initial assessment of the feasibility, including the potential net revenue from carpark charges at these sites.[1] This assessment shows a potentially strong revenue stream that is likely to exceed costs. Financial analysis can be found in **Attachment B**.

8. A further four busy carparks have been identified for potential trialling over summer 2025/26 - Franz Josef, Goat Island, Roys Peak and Marahau. This IVL investment proposal includes estimated capital and operating costs related for setting up a trial at these sites, but further work is required to understand site and financial feasibility.

9. Cathedral Cove has not been selected as a potential paid carparking pilot site to be funded by IVL because this is being explored through the visitor management work already underway.

10. Our proposed plan for the pilot is included in **Table One** below.

Table One: Proposed plan for carpark charging pilot

Stage	Timeframe	Description
Planning and tendering	August 2024 to October 2024	• Recruit funded project roles to set up and implement the pilot and to support other revenue improvement initiatives. • Assess the feasibility of four additional pilot sites to pilot in summer 2025/26. • Prepare and undertake open tender for solutions for each selected site. • Develop communications & engagement, monitoring and compliance plan for each pilot site. • Assess submitted tenders and determine what to implement in summer 2024/25 – for example payment manual solution for 2024/25, technology solution designed and installed for 2025/26.
Implementation and system refinements	November 2024 to September 2025	• Implement paid carparking at three pilot sites for summer 2024/25 (e.g. installing payment technology). • Extend the pilot to four additional sites ahead of summer 2025/26.
Monitor and evaluate pilot	December 2024 to August 2026	• Monitor and evaluate pilot sites. • Recommend improvements for pilot sites. • Develop a Draft National toolbox for paid carparks.

1 Other criteria used to select sites included operational capacity, practicality and representation of a range of management interventions.

11. We estimate that the pilot will cost 9(2)(i) [redacted] to implement over three years, with 9(2)(i) [redacted] in year one, 9(2)(i) [redacted] in year two and 9(2)(i) [redacted] in year three. This is broken down in **Table Two** below.

Table Two: IVL funding sought for carpark charging pilot

Financial year ending June	2024/25	2025/26	2026/27	Three-year total*
Pilot carparks - Operating funding ($m)	9(2)(i)	9(2)(i)	[redacted]	[redacted]
Pilot carparks - Capital funding ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]
Programme & overheads - Operating Funding ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]
Total ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]

* Values shown are rounded, see **Attachment B** for more detail on OPEX/CAPEX funding requirements

12. Costs to establish paid carparking at each carpark vary due to the differing complexity at each site. For example, the White Horse Hill carpark at Aoraki, will initially require work to create additional capacity and a manned booth will be required to accommodate day visitors parking to walk the Hooker Valley track and overnight visitors staying at the adjacent campsite or in one of the many huts accessed via the carpark. Meanwhile, the Tongariro Alpine Crossing carpark would utilise the existing footprint and have payment technology and eventually only require staff to be onsite periodically to enforce fee payment compliance.

13. This IVL-funded, paid carparking pilot is forecast to return over 9(2)(i) [redacted] per annum in revenue once charging is implemented at the seven pilot sites. The paid carparking model could then be rolled out at additional sites funded by DOC's capital programme.

The pilot aligns with IVL investment criteria

14. The pilot aligns with Pillar 2 of the 2023 IVL investment plan - *Responding to visitor pressures on conservation and the environment*.[2] The pilot would improve our understanding of visitor impacts and how to manage them, and it would enable us to deliver a system-level response to visitor pressures.

15. Additionally, the pilot is suitable for IVL investment as the potential pilot sites are popular with international visitors. For example, 80 per cent of walkers on the Tongariro Alpine Crossing are international visitors.

Risk assessment – Aronga tūraru

16. As the pilot progresses, we will build our understanding of the implementation and operational costs. Because of this, we anticipate some movement in our estimates (e.g. cost to install parking technologies in remote locations without cell coverage or power). To address cost risk, the estimates include a 20 per cent contingency. The mitigation for the circumstances where costs would exceed budget, is to rescope the trial to focus on the highest potential revenue sites.

17. We expect there will be some public resistance to paying for carparking on PCL, as we have not implemented this before. To mitigate this, we will prepare an engagement and communications plan for the pilot. We will also seek to engage stakeholders and Treaty partners early in the process and give them a chance to provide feedback during and after the pilot.

18. During the pilot our compliance and enforcement approach will centre on education. In the medium to long-term we will be assessing whether our compliance tools, such as

2 https://www.mbie.govt.nz/assets/Uploads/ivl-investment-plan-2023.pdf

infringement offences, are suitable for carpark charges. This may require amendment to the Conservation (Infringement Offences) Regulations 2019.

19. If funding is not made available from the IVL, it is unlikely that we will have sufficient resources to implement any carpark charges for the summer of 2024/25.

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

20. Implementation of carpark charges will require engagement with local iwi and hapū to ensure they are informed of what we are doing and to gather feedback on the pilot. At Dolomite Point we are proactively engaging with Ngāti Waewae to explore how to partner with them during the pilot.

Next steps – Ngā tāwhaitanga

21. If you agree to fund the pilot from the IVL we will immediately begin to carry out the plan in **Table One**, providing you with periodic updates via the status report.

ENDS

Attachment A: Map of 2024/25 pilot sites

Attachment B: Financial analysis for pilot sites

					IVL-Funded Pilot							
	Approx. Car parks	Estm. Vehicles p.a.	Revenue p.a.	Modelled 10-yr BCR	24/25 CAPEX	24/25 OPEX	25/26 CAPEX	25/26 OPEX	26/27 CAPEX	26/27 OPEX	Total funding requirements	Pilot plan and assumptions
Dolomite Point carpark	9(2)(i)											
Tongariro Alpine Crossing - Marahau carpark												
White Horse Hill carpark - Aoraki												
Franz Josef carpark												
Goat Island marine reserve carpark												
Roys Peak carpark												
Marahau carpark - Abel Tasman coast track entrance												
Pilot carpark subtotal												
Programme OPEX subtotal					9(2)(i)						9(2)(i)	
Total IVL funding requirements												

9(2)(i)

Paid car parking pilot site profile – Mangatepopo Car Park Tongariro National Park

ITEM 4)

1. Location

Mangatepopo car park is at the beginning of the Tongariro Alpine Crossing. Parking is free but restricted to under 4 hours between Labour Weekend (October) to the start of May (this is the summer walking season). People doing the TAC are encouraged to use park and ride services.

The current carpark is well estimated and laid out ; and implementation of paid car parking at this site would be limited to the costs to install and operate that technology at the site.

2. Current challenges/problems to be solved:

- The carpark reaches capacity only on busy NZ summer public holidays.
- Incentivising visitors to use shuttles to reduce congestion on access road and in the car park.
- Visitors arriving and not knowing how long their walk will take and therefore how long they purchase a ticket for.
- Need to avoid some users park along the DOC managed roads and adjacent state highways.

3. What investment is needed to pilot paid car parking at this site

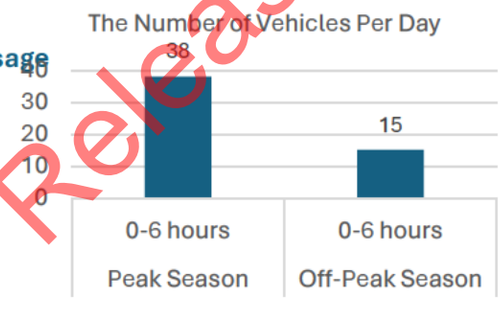
- 1-2 parking fee payment terminals: Solar fee payment technology, concrete pads for each payment terminal, internet connectivity, signage, and compliance reporting so onsite staff can see who has paid.
- The existing carpark does not require a redesign and/or resurfacing.

4. Car park capacity, usage, and seasonality:

- The gravel car park has 65 vehicle bays and 4-hour limit (CMS), despite this, it's estimated that cars typically stay 6hrs on average.
- Based on track counter data, up to 105,000 visitors used some or all of the Tongariro Alpine Crossing between 1 November 2023 and 8 April 2024.
- Onsite observations in 23/24 said that roughly 75% of visitors used the services of transport or guiding businesses (park and ride). 10-20% of visitors park in the Mangatepopo carpark and do a return walk. The remaining visitors were are propped off by private vehicle.
- Based on historic activity data patterns and ranger feedback, numbers walking the TAC from Ketetahi to Managtepopo are very low. It also isn't practical to charge at Ketatahi carpark.

5. Modelled annual carpark usage

- The total number of vehicles is 9,700 per annum.
- The demand for off-peak season is 40% of the peak season.



6. Project phasing plan

Summer/Autumn 2024/25

- Self-service parking machines for visitors to pay for parking on arrival.
- DOC rangers onsite for car park management (troubleshoot problem, manual-payment fallback, trial monitoring and reporting, education/payment reminders.)
- Monitor pilot and recommend early CAPEX improvements after summer 24/25.

Winter-Summer FY25/26

- Use year-one pilot data and monitoring to develop improved carparking design and business case for further improvements (e.g. yellow lined on highway, improved signage, car park pedestrian management, spaces for different vehicle sizes, etc.).

#	Reference documents (Date)	Link	Date
1	Masterplanning - TAC site assessment	DOC-7324814	25/05/23
2	Site Survey - Ketetahi - 2013	DOC-7546545	19/01/23
3	Site Surveys - Mangatepopo - 2013 and 2023	DOC-7546542	19/01/23

7. Fees, assumptions and estimated annual revenue

Fees: 9(2)(i)

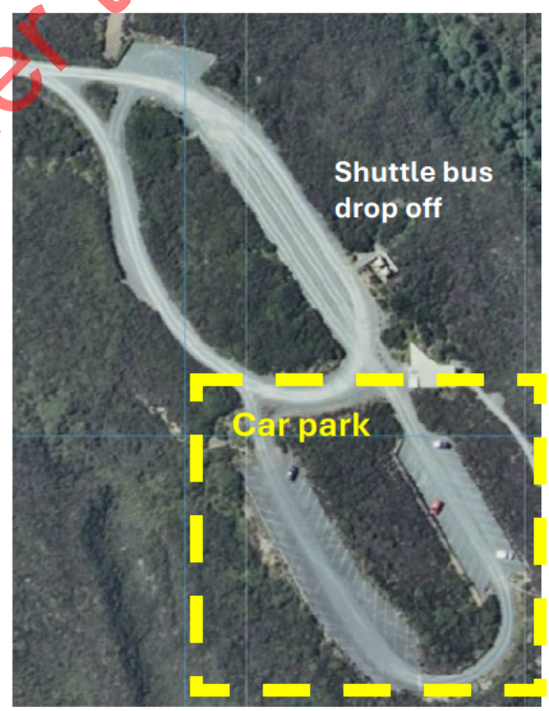
*We need to consider a daily rate to avoid users feeling rushed and ruining their experience. The day rate could be also used as a "Lost ticket" when someone forgets to pay and is reminded to by a DOC ranger.

8. Estimated costs and revenue

		Notes
9(2)(i)		

**OPEX includes 2x FTE for 6-months of year and Starlink internet connectivity for payment gateway

SITE MAP AND PROPOSED PILOT PAYMENT SOLUTIONS | Link to car park location on google maps



ITEM 5)

Paid car parking pilot site profile – White Horse Hill car park Aoraki

1. Location

White Horse Hill car park is located within the Aoraki National Park, up the Hooker Valley Road. It is the main access point for several popular day and overnight walks (e.g. Mueller and Hooker huts), and White Horse Hill Campground which has 102 campsites and is DOC's most visited campground.

2. Current challenges/problems to be solved:

- High visitor volumes which are forecast to increase.
- Facilities do not meet current growing demand. Currently, visitor demand often exceeds the car park's capacity and visitors park along roadsides in peak months. This also happens on winter public holidays (e.g. Matariki).
- Demand exceeding capacity has also led to visitor experience complaints about toilets, car parking and general experience.
- There currently is no clear vehicle flow in the car park or delineation of individual car parking spaces. Introducing these would improve vehicle flow and increase the capacity of the car park.

3. What investment is needed to pilot paid car parking at this site

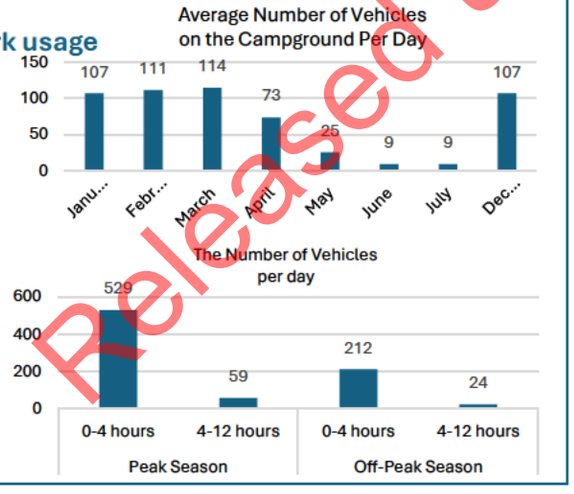
- Dual approach to test different approached to fee collection and enforcement: Traditional booth barrier arm & Ticketing with Licence Plate Recognition (LPR) cameras.
- Increase car park capacity by 85 space (300 > 385); Introduce directional clockwise vehicle flow); Vehicle space efficiency (wheel stops); Vehicle size categorisation bays (light vehicle bays / RV bays / bus bays); Improved signage (site info and parking fees).

4. Car park capacity, usage, and seasonality (from Team Process):

- 200 – 300 vehicles at peak and 150 down the road-side
- Peak season Nov – Apr/ All public holidays with volumes of 130 vehicles p/hr and ~700 p/day
- Mostly campervans and cars but some shuttles, coaches and trailers
- Length of Stay: Approx. 30hrs for overnight vehicles and 3hr duration for day visitors on average
- 10am – 3pm peak but car park is accessed 24/7 for star gazing, sunrise walks etc.

5. Modelled annual car park usage

- The total number of cars is **149,000** per annum
- 90% of visitors staying for 0-4hrs
- The number has excluded vehicles parked at the campground
- The demand for off-peak season is estimated at 40% of the peak season months



6. Project phasing plan

Summer FY25/26

- Pay-by-plate with users paying based on their length of stay, day of nightly rate. Number plate recognition cameras for enforcement of fees, outsourced to a third-party.
- Pre-booked parking to help manage demand.
- Possibly tendering park-and-ride concession opportunity to help remedy the capacity constraint.
- Evaluate and adapt pilot over peak visitation period, including Pedestrian H&S management.
- Consider impact on Tasman Glacier walk and if we should charge here too.

Winter-Summer FY26/27

- Use car parking revenue and pilot data and monitoring report to develop improved car parking design and business case for further improvements (if any).

#	Reference documents (Date)	Link	Date
1	WSP Options Report - Whitehorse car park DRAFT	PDF	31/05/24
2			

7. Fees, assumptions and estimated annual revenue

Fees: 9(2)(i)

9(2)(i)

8. Estimated costs and revenue

	Notes
[redacted]	9(2)(i)
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

*CAPEX includes 9(2)(i) to increase the capacity of the car park and the revenue forecast assumes this will be completed during winder 2025.

SITE MAP AND PROPOSED PILOT PAYMENT SOLUTIONS | Link to car park location on google maps

ITEM 6)

Paid Carparking Pilot Site Profile – Dolomite Point Car Parks, Punakaiki/Pancake rocks

1. Location

Dolomite Point is a high-volume visitor site in the West Coast town of Punakaiki. Recently a new exhibition centre has been opened by Ngāti Waewae and DOC that also contains the DOC VC. It services the Pancake Rocks and other attractions. There are two car parks on site with a total of 152 spaces and were often at max capacity during peak season:

- the northern car park is currently open to the public and is located directly adjacent to the exhibition centre/ VC and shops. It also provides access for locals to private mailboxes and is fully sealed and developed.
- the southern car park is gravel and undeveloped with a single entry/ exit point. It is currently closed to public use but will open for the 24/25 summer.

2. Current challenges/problems to be solved:

- High visitor volumes which are forecast to increase.
- Need to avoid parking on roadside, and parking ticket machine locations should promote a safe and efficient visitor experience.
- Southern car park - Currently no clear flow in southern carpark, no delineation of individual car parks. The land is pending land swap from road reserve to PCL, an agreement must be in place for DOC to charge for parking.
- Need to explore opportunities to work with Ngati Waewae.

3. What investment is needed to pilot paid car parking at this site:

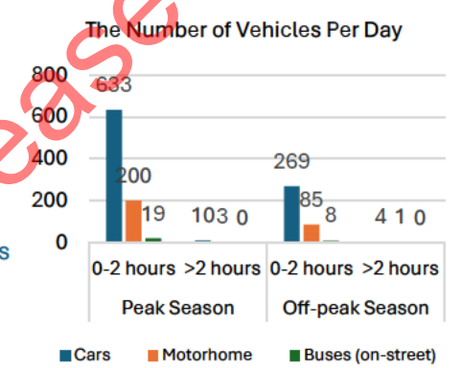
- Ticketing with License Plate Recognition (LPR) cameras and third-party onsite management: Solar fee payment technology, concrete pad for payment terminals, internet connectivity, signage, and fee payment compliance solution.
- Vehicle flow management (directional clockwise flow); Vehicle space efficiency (wheel stops); Vehicle size categorisation bays (light vehicle bays / RV bays); Improved signage (site info and parking fees)
- Northern Carpark does not require upgrade, Southern Carpark needs forming, sealing and line marking. Southern car park upgrade in year 2.

4. Car park capacity, usage, and seasonality:

- Northern carpark has 83 marked parking spaces – 4 for EVs, Southern carpark is gravel and has space for 69 vehicles, however they aren't delineated.
- Surveyed parking data: Average length of stay 0-2hrs (84%), 14% 1-3hrs, 3% 2+ hrs
- Main season from labour weekend untill May.

5. Modelled annual carpark usage

- Total number of vehicles per year is **110,921**
- 1.5% of 'normal' cars and motorhomes demand is longer than 2 hrs and overnight
- Total hours available for parking are 9 hours
- The demand of car park for Off-peak Season is 40% of the demand of car park for the peak season.



6. Project phasing plan

Summer/Autumn 2024/25

- Self-service parking machine(s). Number plate recognition cameras for enforcement of fees (monitor in year-1, active enforcement from year-2).
- Contracted third-party onsite car park warden to troubleshoot visitor issues, fee payment reminders, manual payments if system fails, and to monitor and report on the trial.
- Monitor pilot and recommend early CAPEX improvements after summer 24/25.

Winter-Summer 2025/26

- Improve site based on recommendations, and seal and line mark southern car park.

#	Reference documents (Date)	Link	Date
1	Dolomite Point Redevelopment Financial Analysis Report	DOC-6404982	18/01/2021
2	2017/18 car park traffic analysis	Document 1 Document 2	May-2018
3	DPRP Northern Carpark	Email	04/07/24
4	DPRP Southern Carpark	Email	04/07/24

7. Fees, assumptions and estimated annual revenue

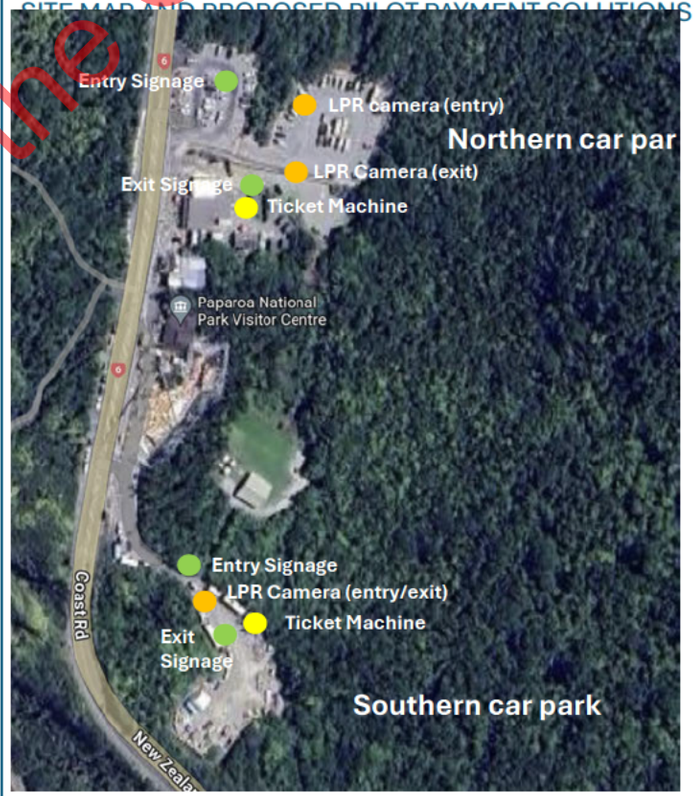
Fees: 9(2)(i) [redacted].

A 15-minute free parking period (café, toilet, mail, etc.).

8. Estimated costs

		Notes
9(2)(i) [redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

SITE MAP AND PROPOSED PILOT PAYMENT SOLUTIONS | Link to exhibition centre location on google maps



Department of Conservation
Te Papa Atawbai

ITEM 7)

Briefing: International Visitor Levy investment proposal - carpark charging pilot

To	Minister of Conservation	**Date submitted**	28 August 2024
Action sought	**Approve** International Visitor Conservation and Tourism Levy funding for a carpark charging pilot.	**Priority**	Normal
Reference	24-B-0342	**DocCM**	DOC-7697260
Security Level	In Confidence		

Risk Assessment	Low	**Timeframe**	11 September 2024
Attachments	Attachment A – Map of pilot sites Attachment B – Financial analysis of pilot sites		

Contacts	
Name and position	**Cell phone**
Stephanie Rowe, Deputy Director-General, Biodiversity, Heritage and Visitors	9(2)(a)
Catherine Wilson, Director, Heritage and Visitors	9(2)(a)
Joe Ellingham, Principal Commercial and Revenue Advisor, Heritage and Visitors	9(2)(a)

We recommend that you … (Ngā tohutohu)

		Decision
1.	**Note** that on 9 May 2024 you directed us to prepare a business case and an International Visitor Conservation and Tourism Levy (**IVL**) investment proposal for a carpark charging pilot.	*Noted*
2.	**Note** that we have identified seven sites where carpark charges could be piloted, with potential revenue estimated to be 9(2)(i) per annum once fully operational.	*Noted*
3.	**Agree** to fund a three-year carpark charging pilot over the summer of 2024/25 and 2025/26 from the IVL for capital and operating costs at a total cost of either: 9(2)(i)	Yes / No Yes / No
4.	**Note** that the proposed pilot includes CAPEX funding for increasing carpark capacity and efficiency for two of the proposed pilot sites.	*Noted*
5.	**Agree** to forward this briefing to the Minister for Tourism and Hospitality for their information.	Yes / No

Date: 28/08/24

Stephanie Rowe
Deputy-Director General, Biodiversity, Heritage and Visitor

Date: / /

Hon Tama Potaka
Minister of Conservation

Purpose – Te aronga

To seek your agreement to fund a carpark charging pilot using the International Visitor Conservation and Tourism Levy (**IVL**).

Background and context – Te horopaki

1. On 29 July 2024 you took a joint paper with the Minister for Tourism and Hospitality to Cabinet seeking approval to raise the IVL amount from $35 to $100. This followed public consultation on the possibility of raising the IVL amount and how that revenue should be spent.
2. Cabinet agreed and directed officials to report back to you and the Ministers of Finance, Culture and Heritage, and Tourism and Hospitality with advice on the

allocation of additional revenue [CAB-24-MIN-0274]. The increase in IVL amount will take effect from 1 October 2024 to align with other immigration changes.

3. Revenue from the IVL is currently split between tourism and conservation. It generated $62.5 million in 2023/24. At end of June 2024 there was $9.6 million of collected but unallocated IVL funding available for conservation.

4. In May 2024, we advised you that we do not currently charge for any DOC-managed carparks, and that there was a strong case to investigate implementing carpark charges as a revenue generation and visitor management tool (24-B-0186 refers).

Estimates show carpark charging at seven sites could generate 9(2)(i)

5. You instructed us to prepare a business case for a carpark charging pilot. You agreed this should include an investment proposal for the IVL to cover the upfront capital investment required and additional FTE to drive implementation of revenue opportunities.

6. We propose to run a carpark charging pilot over the summer of 2024/25 and 2025/26 at up to seven sites, funded through the IVL. The purpose of the pilot would be to:

   - establish a new mechanism to generate revenue from visitors
   - support the efficient management of carparking at sites under high visitor pressure over the summer of 2024/25 and 2025/26
   - provide insights into the costs and returns associated with different approaches to carpark charging and carparks with different characteristics.

7. We have undertaken detailed analysis of three sites to pilot carpark charges this summer – Punakaiki (Dolomite Point), Tongariro Alpine Crossing (Mangatepopo) and Aoraki/Mount Cook National Park (White Horse Hill). You can find a map of these potential sites in **Attachment A**.

8. We have undertaken an initial feasibility assessment, including the potential net revenue from carpark charges at these sites[1] and the required CAPEX for charging solutions and some site improvements. This assessment shows a potentially strong revenue stream that is likely to exceed costs and has a positive benefit cost ratio. Financial analysis can be found in **Attachment B**.

9. A further four busy carparks have been identified for potential trialling over summer 2025/26 - Franz Josef, Goat Island, Roys Peak and Marahau. This IVL investment proposal includes estimated capital and operating costs related for setting up a trial at these sites, but further work is required to understand site and financial feasibility.

10. Cathedral Cove has not been selected as a potential paid carparking pilot site to be funded by IVL because this is being explored through the visitor management work already underway.

11. The paid carparking pilot is forecast to return over 9(2)(i) once charging is implemented at the seven pilot sites.

12. Our proposed plan for the pilot is included in **Table One** below.

Table One: Proposed plan for carpark charging pilot

Stage	Timeframe	Description
Planning and tendering	August 2024 to October 2024	• Recruit funded project roles to set up and implement the pilot and to support other revenue improvement initiatives.

1 Other criteria used to select sites included operational capacity, practicality and representation of a range of charging and approaches to fee enforcement.

Planning and tendering cont'd	August 2024 to October 2024	• Assess the feasibility of four additional pilot sites to pilot in summer 2025/26. • Prepare and undertake open tender for solutions for each selected site. • Develop communications & engagement, monitoring and compliance plan for each pilot site. • Assess submitted tenders and determine what to implement in summer 2024/25 – for example payment manual solution for 2024/25, technology solution designed and installed for 2025/26.
Implementation and system refinements	November 2024 to September 2025	• Implement paid carparking at three pilot sites for summer 2024/25 (e.g. installing payment technology). • Extend the pilot to four additional sites ahead of summer 2025/26.
Monitor and evaluate pilot	December 2024 to August 2026	• Monitor and evaluate performance of carpark charges at pilot sites against pilot objectives • Recommend improvements for pilot sites. • Develop a draft national toolbox for paid carparks.

13. We estimate that the pilot will cost up to 9(2)(i) [redacted] This is outlined in **Table Two** below.

14. We engaged with some third-party car parking operators to understand potential operating models and approximate costs. This engagement has informed our initial CAPEX/OPEX estimates for carparking payment and associated hardware, software, and third-party enforcement services. However, these costs will be market-tested through a competitive tender, which may reduce pilot funding requirements.

Table Two: IVL funding sought for carpark charging pilot

Financial year ending June	2024/25	2025/26	2026/27	Three-year total*
Pilot carparks - Operating funding ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]
Pilot carparks - Capital funding ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]
Programme & overheads - Operating Funding ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]
Total ($m)	9(2)(i)	[redacted]	[redacted]	[redacted]

* Values shown are rounded, see **Attachment B** for more detail on OPEX/CAPEX funding requirements.

15. Estimates show that an 9(2)(i) [redacted]

16. There is an opportunity for us to use revenue generated in Year one to offset the IVL costs for Year 2. This would see the overall IVL investment required reduce to 9(2)(i) [redacted]

17. Costs to establish paid carparking at each carpark vary due to the differing complexity at each site. For example:

    - the White Horse Hill carpark at Aoraki, will initially require CAPEX-funded work to create additional capacity and a manned booth will be required to accommodate day visitors parking to walk the Hooker Valley Track and overnight visitors staying at the adjacent campsite or in one of the many huts accessed via the carpark.

- the Mangatepopo carpark for the Tongariro Alpine Crossing would utilise the existing footprint and have payment technology and eventually only require staff to be onsite periodically for fee enforcement checks.

18. The paid carparking model could then be rolled out at additional sites funded by DOC's capital programme.

The pilot aligns with IVL investment criteria

19. The pilot aligns with Pillar 2 of the 2023 IVL investment plan - *Responding to visitor pressures on conservation and the environment*.[2] The pilot would improve our understanding of visitor impacts and how to manage them, and it would enable us to deliver a system-level response to visitor pressures.

20. Additionally, the pilot is suitable for IVL investment as the potential pilot sites are popular with international visitors. For example, 80 per cent of walkers on the Tongariro Alpine Crossing are international visitors.

Risk assessment – Aronga tūraru

21. As the pilot progresses, we will build our understanding of the implementation and operational costs. Because of this, we anticipate some movement in our estimates (e.g. cost to install parking technologies in remote locations without cell coverage or power). To address cost risk, the estimates include a 20 per cent contingency. If costs would exceed budget we would rescope the trial to focus on the highest potential revenue sites.

22. We expect there will be some public resistance to paying for carparking on PCL, as we have not implemented this before. To mitigate this, we will prepare an engagement and communications plan for the pilot. We will also seek to engage stakeholders and Treaty partners early in the process and give them a chance to provide feedback during and after the pilot.

23. During the pilot our compliance and enforcement approach will centre on education. In the medium to long-term we will be assessing whether our compliance tools, such as infringement offences, are suitable for carpark charges. This would require amendment to the Conservation (Infringement Offences) Regulations 2019.

24. If funding is not made available from the IVL, it is unlikely that we will have sufficient resources to implement any carpark charges for the summer of 2024/25.

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

25. Implementation of carpark charges will require engagement with local iwi and hapū to ensure they are informed of what we are doing and to gather feedback on the pilot. At Dolomite Point we are proactively engaging with Ngāti Waewae to explore how to partner with them during the pilot.

Next steps – Ngā tāwhaitanga

26. If you agree to fund the pilot from the IVL we will immediately begin to carry out the plan in **Table One**, providing you with periodic updates via the status report.

ENDS

2 https://www.mbie.govt.nz/assets/Uploads/ivl-investment-plan-2023.pdf

Attachment A: Map of pilot sites

Attachment B: Financial analysis for pilot sites

	IVL-Funded Pilot
Dolomite Point carpark	9(2)(i)
Tongariro Alpine Crossing - Marahau carpark	
White Horse Hill carpark - Aoraki	
Franz Josef carpark	
Goat Island marine reserve carpark	
Roys Peak carpark	
Marahau carpark - Abel Tasman coast track entrance	
Pilot carpark subtotal	
Programme OPEX subtotal	
Total IVL funding requirements	

Note:

9(2)(i)

ITEM 8)

Nick Pearce

From: Sally Jones
Sent: Monday, 9 September 2024 2:45 pm
To: Lynnell Greer; Jo Macpherson; Joe Ellingham; Shan Baththana; Angela Sergeant; Diana Clendon; David Dittmer; Stephen Field; Megan Baxter
Subject: Critical Issues - White Horse Hill

Kia ora team

Thank you for your time this morning. As requested, I'm sharing the critical issues:

HT do as much work in advance of confirmation - all
HT understand the pricing structure for PP - Joe
HT manage adverse effects – processes like AEE and Resource Consent – Stephen / District
HT ensure strong comms plan – link in the comms advisors – Lizzy / Michael
HT manage multiple large projects during peak season – all
HT assign strong leadership, maintain single point accountability, and project management – too much for district – Jo / Shaun

Ngā mihi
Sally

Sally Jones

Operations Manager, Aoraki/Mount Cook National Park

Te Papa Atawhai / Department of Conservation
Kia piki te oranga o te ao turoa, i roto i te ngatahitanga, ki Aotearoa www.doc.govt.nz

ITEM 9)

Nick Pearce

From: Damian Coutts
Sent: Tuesday, 17 September 2024 11:35 am
To: Joe Ellingham; George Taylor; Cher Knights
Cc: Tamzin Moore
Subject: RE: Paid car parking pilot - Mangatepopo car park

Great thanks Joe. 9(2)(i) [redacted]

From: Joe Ellingham 9(2)(a) [redacted]
Sent: Tuesday, 17 September 2024 11:31 am
To: Damian Coutts 9(2)(a) [redacted] George Taylor 9(2)(a) [redacted]; Cher Knights 9(2)(a) [redacted]
Cc: Tamzin Moore 9(2)(a) [redacted]
Subject: RE: Paid car parking pilot - Mangatepopo car park

Hi Damian

Got it and agreed let's take the next couple of months to work through options. I'll touch base with Cher and discuss how I can support the team.

9(2)(i) [redacted]

Cheers
Joe

From: Damian Coutts 9(2)(a) [redacted]
Sent: Tuesday, September 17, 2024 10:54 AM
To: Joe Ellingham 9(2)(a) [redacted]; George Taylor 9(2)(a) [redacted]; Cher Knights 9(2)(a) [redacted]
Cc: Tamzin Moore 9(2)(a) [redacted]
Subject: RE: Paid car parking pilot - Mangatepopo car park

Kia ora Joe

Sorry for the missing context. We have a big issue at the Ketetahi end, as essentially most users park on the side of the road creating a significant safety hazard. You are correct the DOC carpark is tiny, and there is a large private carpark across the road on maori land. 9(2)(i) [redacted] Given the delay to introducing the pilot, we (ie TAC governance group) just wanted to be able to use the next month or two to explore this option.

From: Joe Ellingham 9(2)(a)
Sent: Tuesday, 17 September 2024 9:41 am
To: Damian Coutts 9(2)(a); George Taylor 9(2)(a); Cher Knights 9(2)(a)
Cc: Tamzin Moore 9(2)(a)
Subject: RE: Paid car parking pilot - Mangatepopo car park

Hi Damian

When developing the plan we discussed Ketatahi end. We decided not to introduce paid parking at that end because there is very limited space for parking (~6 parking spots?) so the revenue opportunity is low, and it might not break even.

9(2)(i)

Joe

From: Damian Coutts 9(2)(a)
Sent: Monday, September 16, 2024 5:01 PM
To: George Taylor 9(2)(a)>; Joe Ellingham 9(2)(a); Cher Knights 9(2)(a)
Cc: Tamzin Moore 9(2)(a)
Subject: RE: Paid car parking pilot - Mangatepopo car park

Just one thing we discussed at the TAC governance group meeting this morning was whether (if we have time) we should reallyi be looking at doing this at the Mangatepopo end, or rather 9(2)(i) at the Ketetahi end, as most people drive to that end, and then shuttle from there, so they can finish at their car. This would still meet MOC objective of a trail on the TAC, but just flips the end the carpark is at.

From: George Taylor 9(2)(a)
Sent: Monday, 16 September 2024 4:53 pm
To: Joe Ellingham 9(2)(a); Damian Coutts 9(2)(a)>; Cher Knights 9(2)(a)
Cc: Tamzin Moore 9(2)(a)
Subject: RE: Paid car parking pilot - Mangatepopo car park

Thanks for this update Joe, much appreciated

George

From: Joe Ellingham 9(2)(a)
Sent: Monday, 16 September 2024 4:49 pm
To: Damian Coutts 9(2)(a); George Taylor 9(2)(a); Cher Knights 9(2)(a)
Cc: Tamzin Moore 9(2)(a)
Subject: RE: Paid car parking pilot - Mangatepopo car park

Hi Damian, George, and team.

We are 95% sure we won't introduce paid parking this summer at Mangatepopo car park. Admittedly, this is a little disappointing because we did try to get our funding request ahead of the IVL rate change to avoid this situation, however delays in the minister receiving our funding request paper. Now the ongoing MOC comments/questions on that paper, procurement lead times, and Christmas mean that it just isn't feasible to get paid parking in place for this summer, nor do we have funding secured.

I am working on reworking the timeline with comms and procurement and will keep you updated on how that is looking. There are obvious benefits of a longer lead time, including installation during the winter, and it gives us more time to reassess our requirements for each site (e.g. we'll likely look to introduce pre-booking at White Horse Hill car park at the same time as charges to help with the capacity issues.

In the interim, I suggest that the district/project team continue to progress any no-regrets improvements like the "do not park" signs along the entrance road.

Thanks again for everyone's help to date. We'll get there, it just won't be as soon as we'd like it to be.

Happy to book a call if helpful.

Joe

Joe Ellingham
Principal Commercial and Revenue Advisor
Heritage and Visitors Directorate

Biodiversity, Heritage and Visitors Group
Department of Conservation | Te Papa Atawhai
9(2)(a) [redacted]

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Department of Conservation
Te Papa Atawhai

From: Joe Ellingham
Sent: Friday, September 6, 2024 12:46 PM
To: Damian Coutts 9(2)(a) [redacted]; George Taylor 9(2)(a) [redacted]; Cher Knights 9(2)(a) [redacted]
Cc: Charmaine Barnett 9(2)(a) [redacted]
Subject: Paid car parking pilot - Mangatepopo car park

Hi Damian & George

Per my update last Friday, I am getting in touch to confirm the operations lead for piloting paid car parking at Mangatepopo car park. To date we have been liaising with @Cher and the TAC sustainability project team, I imagine we'll keep them involved, however @George I know you want more of your team involved with is great because there are some on the ground items that will need approximately **20-25 hours** of support by regional operations at place. Please note that the operations lead will be well-supported by the project manager (currently me), the project coordinator, procurement, and ISS.

The role of the Operations lead over the next 4-5 months:

1. Join regular pilot calls with the project team; we can extend that to you too @George or they can keep you updated offline (30-min per fortnight) – @Cher will join these calls too.
2. be the point of contact for the project team and others like ISS who are supporting solution scoping and connectivity requirements (2hrs)
3. coordinate the recruitment of the project-funded part-time parking wardens (B-band ranger)

4. liaise with contractors when onsite installing car parking hardware, and on any issues (likely via the car park warden) (2hrs total)
5. liaise with the project-funded contractor doing two weeks of onsite monitoring (customer feedback, user behaviour, etc.) (1-2hrs total)

Comms & engagement – Because this is a pilot and ministerial priority, we won't be consulting on whether we should introduce paid car parking. Instead, @Cher will give an early confidential heads up to Ngati Hokkaido that to support the minister's priorities we are planning to pilot paid car parking at Mangatepopo car park. The pilot also supports the outcomes of the Sustainability project. Cher will also ask for Ngati Hokkaido's feedback on *how we might make it work* and *suggestions they might have*. An update on DOC's website announcing the pilot at select sites will come after that, and only once funding is approved. In all comms and during local stakeholder engagement, we'll be clear that this is a pilot and we'll be monitoring the impact on visitor numbers, behaviour, and customer feedback. Separately, we will be briefing and seeking feedback from the Recreation Sector Forum members, which includes FMC and several tourism stakeholders on this pilot.

Finally, we haven't got approval on funding for this pilot. However yesterday I sent an update to the minister's office saying that due to approval, procurement and other lead times implementation of paid car parking hardware would not be until mid-February (see attached). This timing puts it just after the NZ school holidays, which I don't think is a bad thing.

If you like, I can set up a call to run through the rough plan with you both in the next week or so. – just let me know.

Cheers

Joe

Joe Ellingham
Principal Commercial and Revenue Advisor
Heritage and Visitors Directorate

Biodiversity, Heritage and Visitors Group
Department of Conservation | Te Papa Atawhai
9(2)(a)

www.doc.govt.nz

Department of Conservation
Te Papa Atawhai

From: Joe Ellingham
Sent: Friday, August 30, 2024 5:01 PM
To: Catherine Wilson 9(2)(a) >; Carly Strausberg 9(2)(a) ; Lynnell Greer 9(2)(a) ; Nicola Bowler 9(2)(a) ; Shan Baththana 9(2)(a) ; Simon James 9(2)(a) ; Mark Ingram 9(2)(a) ; Bronwyn Saunders 9(2)(a) Fiona Weightman 9(2)(a) ; Igor Milosevic 9(2)(a) ; James Johnson (Policy Manager) 9(2)(a) ; Damian Coutts 9(2)(a) George Taylor <9(2)(a) ; Cher Knights 9(2)(a) ; Jo Macpherson 9(2)(a) Sally Jones 9(2)(a) >; David Dittmer 9(2)(a) ; Niamh Espiner 9(2)(a) ; Owen Kilgour 9(2)(a) ; Suvi Van Smit 9(2)(a) Phil Rossiter 9(2)(a) ; Luisa Kliman 9(2)(a) ; Simon Clark 9(2)(a) Tim Bamford 9(2)(a)
Cc: Charmaine Barnett 9(2)(a) ; Nick Pearce 9(2)(a) ; Elizabeth Olivier <9(2)(a) ; Zac Taylor <9(2)(a) Teresa Murphy 9(2)(a) ; Carl Walrond 9(2)(a) Diana Clendon 9(2)(a) ; Tamzin Moore 9(2)(a)
Subject: Paid car parking pilot update August 2024 update

Kia ora koutou

Sharing an update on the ***Paid car parking pilot***.

After a couple of delays and several discussions with DDGs, Penny, and the Minister, on Wednesday a briefing with a request for 9(2)(i) [redacted] in IVL funding was sent to the Minister. The feedback I have received so far is that the Minister is generally happy with our proposed approach which includes our early engagement with third-party car park operators. The minister is on leave the rest of this week, so we don't expect to hear from him until at least next week.

We are confident that we'll be given the green light and have continued to advance where we can, supported by H&V and other groups members so we can have solutions in place at the three pilot sites for the 24/25 summer.

Some of the work underway to keep this progressing:

1. **Summer 24/25 pilot sites** – Working with Operations, and TAC and Dolomite Point Project teams, we have developed site profiles for the summer 24/25 pilot sites. These profiles include site context, management issues (e.g. demand management), site CAPEX, and include some early thoughts on the types of solutions we might need. These profiles would likely be shared when tendering for third-party solutions. Shortly we'll be in touch with the three regions with summer 24/25 pilot sites to ask for an Regional Ops lead for pilot site planning, implementation, and recruitment (e.g. parking wardens).
2. **Procurement** – Clara, the ISS category lead is leading the development of a procurement plan and is currently working on securing a pilot-funded contractor to help expedite procuring what we need to have charging in place by this summer. We appreciate this is a tight timeframe and are doing all we can to be as efficient as possible.
3. **Comms and engagement** – We are working with the Strategic Comms and Engagement Unit on our approach. Our initial thinking is that we announce the pilot within a wider announcement on revenue improvement work underway this year. This will help to announce what is coming and the programme/H&V will do some national level engagement with interest groups like FMC. Pilot site comms would be led by Regional Comms Advisors and Regional Operations will engage with our partners and stakeholders at place. – We will try to build in a small lead time for an early heads up at place before a media announcement.
4. **Programme management**
    - **Programme resourcing** –Two programme roles (PM and Analyst) are provisionally signed off and we are working with recruitment in preparation of advertising these roles once funding is confirmed. I will continue to lead this project for the time being.
    - **Detailed Business Case** – This is a week into development, and we are targeting a three-week turnaround so we can draw down the funds to begin the procurement process.
    - **Regular stand ups** – We will soon extend our twice weekly programme stand-ups to include members of the business relevant to the project. Separate weekly stand-ups with Operations and Project teams at place will also be put into place.
5. **Monitoring and Evaluation –** Supported by the Social Monitoring team, we'll soon begin to develop a monitoring and evaluation plan for the pilot sites.

Finally, thanks for everyone's support in getting this to where we are now. We'll continue to share monthly updates on the programme, and more regular contact with pilot site teams.

Please reach out to me if you have any questions and have a good weekend.

Joe

Joe Ellingham
Principal Commercial and Revenue Advisor
Heritage and Visitors Directorate

Biodiversity, Heritage and Visitors Group
Department of Conservation | Te Papa Atawhai
9(2)(a) [redacted]

Department of Conservation
Te Papa Atawbai

ITEM 10)

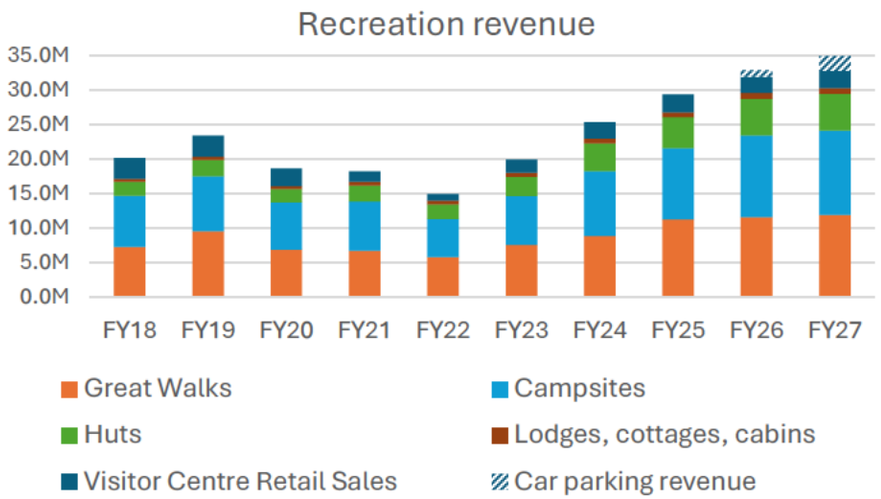
Revenue generation

Carparking revenue pilot

Summary |

DOC has a significant revenue opportunity in paid carparking at sites with high visitor volumes, in particular, where international tourists visit. You have asked DOC to identify a scaled back opportunity to pilot paid carparking. We now propose a pilot at two sites: Dolomite Point (high volume) and Roys Peak (lower volume). This would enable us to test different technology, pricing, and models.

The scale of the opportunity |



9(2)(i)

[redacted]

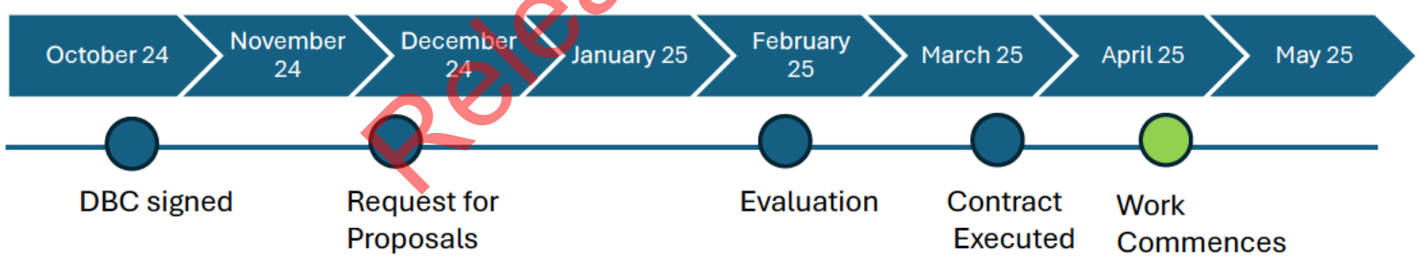
Case study – Milford Sound carpark

- 9(2)(i) [redacted]
- 9(2)(b)(ii) [redacted]
- 9(2)(b)(ii) [redacted]

Technology |

Each site will have unique technology requirements and we plan to trial several options:

- Licence Plate Recognition cameras (LPR) for fee enforcement
- Pay-by-plate parking machine(s)



Assessment of Commercial Models |

- Once funding is confirmed, we will begin a Request for Proposals (RFP) to support our carparking pilot. This will ensure we are testing the market and the range of commercial models available to us.
- 9(2)(b)(ii) [redacted]
- There are two clear models that vendors use:
  1. **DOC owned.** DOC pays upfront capex and pays vendor to service hardware, and for enforcement services. Vendor charges a fixed or % fee.
  2. **Vendor owned/managed.** Vendor fund/own the car parking hardware and provide enforcement services. Vendors take % of revenue.
- A third possible model is through a **concession.** A concessionaire could run and manage the carpark, for example, 9(2)(i) [redacted]

Process from here |

- Once we have run an RFP we will assess the costs and benefits of the models above, and any other models from vendors we have yet to survey.
- At that point we expect to have a much clearer picture of both the costs and revenue generation opportunities.
- **Note:** Initial cost estimates and revenue modelling In July were based on technology pricing provided 9(2)(i) [redacted]

Revenue generation

Carparking revenue pilot – Dolomite Point and Roys Peak

Dolomite Point ~110K vehicles annually

Visitors to Punakaiki/Pancake Rocks and the soon to open exhibition centre. Pre-COVID the site had up to 500K visitors per annum.

We will explore:

- Pay-by-plate parking machine(s)
- 9(2)(i) [redacted]
- Licence Plate Recognition cameras (LPR) for fee enforcement
- Contracted third-party onsite car park warden/support
- 9(2)(i) [redacted] to form, seal, and line mark the southern car park.

		Notes
Year1 Revenue	9(2)(i) [redacted]	Estimated using hourly rate & 90% compliance
Year1 OPEX	9(2)(i) [redacted]	Estimate and tendered
Year1 Operating Profit	9(2)(i) [redacted]	Not full profitability as does not include non-operating costs
CAPEX	9(2)(i) [redacted]	**Year 1:** Parking payment hardware and software, wheel stops in southern car oark **Year 2:** $1.1 M to form and line marking in southern car park
NPV	9(2)(i) [redacted]	10 years (5% discount rate)
Benefit/Cost Ratio	9(2)(i) [redacted]	10 years (5% discount rate)

Roys Peak ~38K vehicles annually

This car park at the beginning of the popular Roys Peak Track, near Wanaka. It sees 181K visitors annually. This is a sealed car park with spaces delineated.

We will explore:

- 9(2)(i) [redacted]
- Pay-by-plate parking machine(s)
- LPR camera on single entry/exit for enforcement
- Part-time DOC rangers/wardens for pilot
- Monitoring road-side parking and other unintended consequences
- Working with council to stop visitors parking on road reserve

		Notes
Year1 Revenue	9(2)(i) [redacted]	Estimated using daily rate & 90% compliance
Year1 OPEX	9(2)(i) [redacted]	Estimate and tendered
Year1 Operating Profit	9(2)(i) [redacted]	Not full profitability as does not include non-operating costs
CAPEX	9(2)(i) [redacted]	**Year 1:** parking payment hardware and software
NPV	9(2)(i) [redacted]	10 years (5% discount rate)
Benefit/Cost Ratio	9(2)(i) [redacted]	10 years (5% discount rate)

9(2)(b)(ii) [redacted]

[redacted]

Department of Conservation
Te Papa Atawhai

Briefing: Update on International Visitor Levy investment proposal – car park charging pilot

ITEM 11)

To	Minister of Conservation	**Date submitted**	10 October 2024
Action sought	**Approve** International Visitor Conservation and Tourism Levy funding for a car park charging pilot.	**Priority**	Normal
Reference	24-B-0498	**DocCM**	DOC-7767976
Security Level	In Confidence		

Risk Assessment	Low	**Timeframe**	24 October 2024
Attachments	Attachment A – Car park charging pilot on page Attachment B – Map of pilot sites and other potential sites		

Contacts	
Name and position	**Phone**
Stephanie Rowe, Deputy Director-General, Biodiversity, Heritage and Visitors	9(2)(a)
Catherine Wilson, Director, Heritage and Visitors Directorate	9(2)(a)
Joe Ellingham, Principal Commercial and Revenue Advisor, Heritage and Visitors Directorate	9(2)(a)

We recommend that you … (Ngā tohutohu)

		Decision
a)	**Note** on 28 August 2024 we briefed you with an investment proposal to fund a car park charging pilot from the International Visitor Conservation and Tourism Levy.	*Noted*
b)	**Note** that in response to that advice you asked us to identify a scaled back pilot focussed on where international tourists visit, and to provide further advice on possible commercial models for the pilot sites, informed by engagement with the industry.	*Noted*
c)	**Agree** to an updated investment proposal for $3.78 million from the International Visitor Conservation and Tourism Levy for the car park charging pilot.	Yes / No

Date: 07/10/2024

Stephanie Rowe
Deputy-Director General, Biodiversity, Heritage and Visitor

Date: / /

Hon Tama Potaka
Minister of Conservation

Purpose – Te aronga

1. To provide an updated investment proposal for establishing a car park charging pilot and to seek your agreement to fund it from the International Visitor Conservation and Tourism Levy (**IVL**).

Background and context – Te horopaki

2. In May 2024, we advised you that we do not currently charge for any Department of Conservation (**DOC**) managed car parks on public conservation land (**PCL**), and that there was a strong case to investigate implementing car park charges as a revenue generation and visitor management tool (24-B-0186 refers).
3. On 28 August 2024 we provided you with an IVL investment proposal to fund a car park charging pilot (24-B-0342 refers). In response you asked us to:
    - identify a scaled back pilot focussed on where international tourists visit
    - provide further detail on possible commercial models for the pilot sites, informed by engagement with the industry.

The investment proposal has been refined

4. We now propose a pilot at three sites, identified in **Table One** below, to enable us to test different technology, pricing and models. A more detailed overview of the pilot sites is included in **Attachment A**. These places experience pressure from high numbers of visitors, approximately 80 per cent of which are international visitors.

Table One: IVL seed funding requirements

Site	Investment required	Estimated potential revenue year one
Punakaiki Dolomite Point	9(2)(i)	
White Horse Hill - Aoraki	9(2)(i)	
Roys Peak	9(2)(i)	
Project costs & overheads	9(2)(i)	
Total	$3.78 million	9(2)(i)

5. Investment requirements have been informed by engagement with third-party car parking operators to understand potential operating models and approximate costs. These costs will be market-tested through a competitive tender (**RFP**) via Government Electronic Tenders Service (**GETS**), which may reduce investment requirements.

Engagement with the car parking industry

6. We have engaged with 9(2)(b)(ii)

7. From this engagement we have identified two clear models used in the industry:
   a) **DOC owned**: we pay upfront capital expenditure and pay the vendor to service car parking assets, and for enforcement services. Vendor charges a fixed or percentage of revenue.
   b) **Vendor** 9(2)(i) **owned/managed:** Vendor funds/owns the car parking assets and provides enforcement services. Vendors take a higher percentage of revenue and have a longer contract term.

8. A third possible model was also identified, but is not recommended as it would result in much lower returns:
   c) **Leasing car park sites to a concessionaire to operate a car park**: The concessionaire would then likely engage a car park vendor 9(2)(i) to manage the car park on their behalf.

9. Once we have run an RFP, we will assess the costs and benefits of the models above, and any other models from vendors we have yet to survey.

Risk assessment – Aronga tūraru

10. There may be a negative reaction from some members of the public to paying for car parking on PCL, as we have not used this as a tool before. To mitigate this, we will prepare an engagement and communications plan for the pilot and will ensure consistent messaging with your access charging discussion document. We will also seek to engage stakeholders and Treaty partners early in the process and give them a chance to provide feedback during and after the pilot.

11. If we encounter unforeseen issues that deem charging inappropriate for the sites proposed in **Attachment A**, we will pilot paid car parking at another site. See **Attachment B** for other potential sites.

12. During the pilot, our compliance and enforcement approach will centre on education. In the medium to long-term we will be assessing whether our existing compliance tools are sufficient. If not, changes may need to be made to introduce infringement offences or bylaws.

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

13. Implementation of car park charges will require engagement with local Iwi and Hapū to ensure they are informed of what we are doing and to gather feedback on the pilot. At Dolomite Point we are proactively engaging with Ngāti Waewae to explore how to partner with them during the pilot.

Next steps – Ngā tāwhaitanga

14. If you agree to fund the pilot from the IVL we will immediately begin to carry out the plan in **Table Two**, providing you with periodic updates via status reports.

Table Two: High-level project timeline

Stage	Timeframe	Description
Planning & solution scoping	October 2024 to January 2025	Detailed business case, targeted external stakeholder engagement, develop comms plan, prepare for RFP.
Request for Proposals & vendor selection	February to May 2025	GETS RFP; Evaluate RFP responses determine operating model; and conclude contract negotiations.
Implementation and system refinements	June to November 2025	Implement paid car parking at three pilot sites for summer 2025/26.
Monitor and evaluate pilot	October 2025 to August 2027	Monitor and evaluate performance of car park charges at pilot sites against pilot objectives. Recommend improvements for pilot sites. Develop a national toolbox for paid car parks and extend paid parking to other car parks.

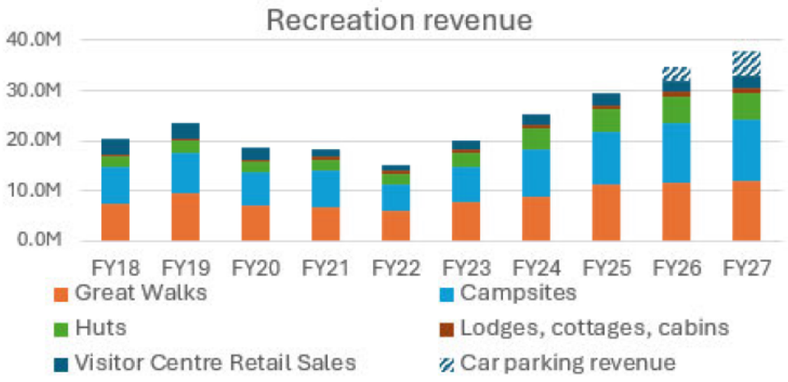
ENDS

Attachment A: Car parking revenue pilot (A3 page 1)

Summary |

DOC has a significant revenue opportunity in paid car parking at sites with high visitor volumes, in particular, where international tourists visit. You have asked DOC to identify a scaled back opportunity to pilot paid car parking. We now propose a pilot at three sites: White Horse Hill (high volume), Dolomite Point (high volume) and Roys Peak (lower volume). This would enable us to test different technology, pricing, and models.

The scale of the opportunity |



Case study – Milford Sound car park

9(2)(i)

9(2)(b)(ii)

9(2)(b)(ii)

IVL Seed funding |
Estimated total cost $3.78M

9(2)(i)

Technology |

Each site will have unique technology requirements and we plan to trial several options:

- Licence Plate Recognition cameras (LPR) for fee enforcement
- Pay-by-plate parking machine(s)
- Pre-booked parking at one site

Assessment of Commercial Models |

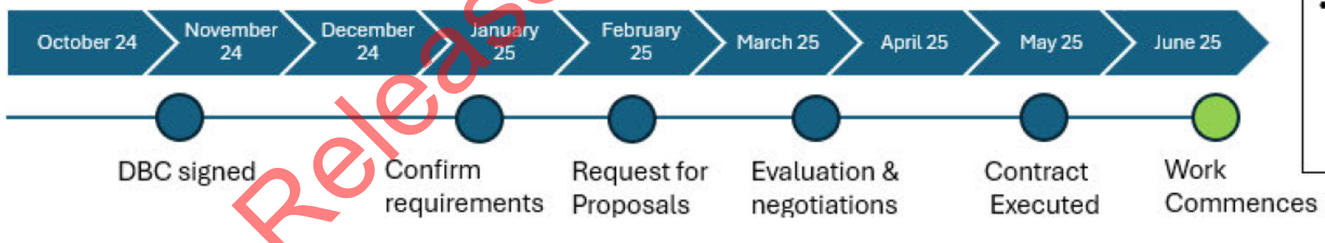
- Once funding is confirmed, we will begin a Request for Proposals (RFP) to support our car parking pilot. This will ensure we are testing the market and the range of commercial models available to us.
- 9(2)(b)(ii)
- There are two clear models that vendors use:
  1. **DOC owned.** DOC pays upfront capex and pays vendor to service hardware, and for enforcement services. Vendor charges a fixed or % fee.
  2. **Vendor owned/managed.** Vendor fund/own the car parking hardware and provide enforcement services. Vendors take % of revenue.
- A third possible model is through a **concession.** A concessionaire could run and manage the car park, for example, 9(2)(i)

Process from here |

Once we have run an RFP we will assess the costs and benefits of the models above, and any other models from vendors we have yet to survey.

At that point we expect to have a much clearer picture of both the costs and revenue generation opportunities.

- **Note:** Initial cost estimates and revenue modelling In July were based on technology pricing provided 9(2)(i) 9(2)(i)

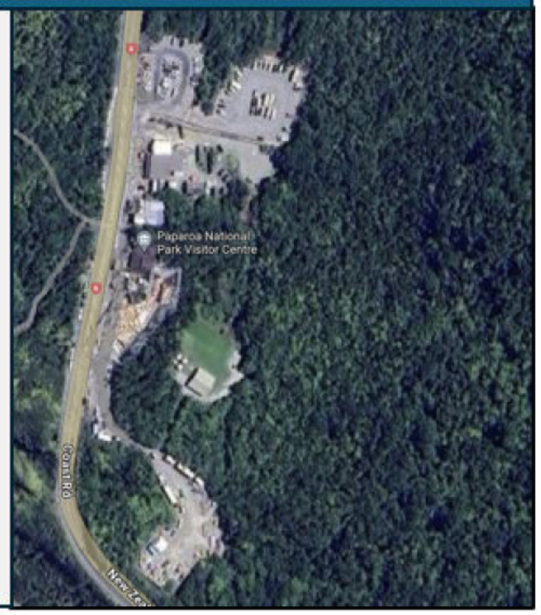


Dolomite Point ~110K vehicles annually

Visitors to Punakaiki/Pancake Rocks and the soon to open exhibition centre. Pre-COVID the site had up to 500K visitors per annum.

We will explore:

- Pay-by-plate parking machine(s)
- 9(2)(i) [redacted]
- Licence Plate Recognition cameras (LPR) for fee enforcement
- Contracted third-party onsite car park warden/support
- 9(2)(i) [redacted] to form, seal, and line mark the southern car park.



	Notes
Year1 Revenue	9(2)(i) [redacted] Estimated using hourly rate & 90% compliance
Year1 OPEX	Estimate and tendered
Year1 Operating Profit	Not full profitability as does not include non-operating costs
CAPEX	**Year 1:** Parking payment hardware and software, wheel stops in southern car oark **Year 2:** 9(2)(i) [redacted] to form and line marking in southern car park
NPV	10 years (5% discount rate)
Benefit/Cost Ratio	10 years (5% discount rate)

Roys Peak ~38K vehicles annually

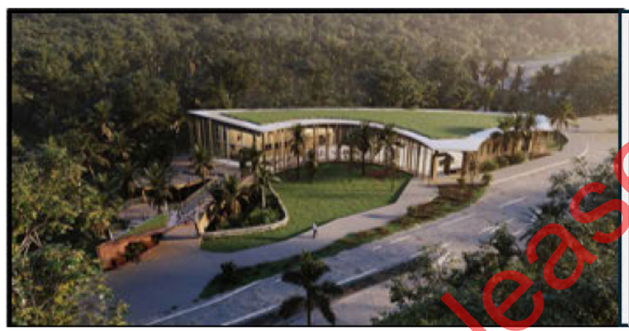
This car park at the beginning of the popular Roys Peak Track, near Wanaka. It sees 181K visitors annually. This is a sealed car park with spaces delineated.

We will explore:

9(2)(i) [redacted]

- Pay-by-plate parking machine(s)
- LPR camera on single entry/exit for enforcement
- Part-time DOC rangers/wardens for pilot
- Monitoring road-side parking and other unintended consequences
- Working with council to stop visitors parking on road reserve

	Notes
Year1 Revenue	9(2)(i) [redacted] Estimated using daily rate & 90% compliance
Year1 OPEX	Estimate and tendered
Year1 Operating Profit	Not full profitability as does not include non-operating costs
CAPEX	**Year 1:** parking payment hardware and software
NPV	10 years (5% discount rate)
Benefit/Cost Ratio	10 years (5% discount rate)



9(2)(b)(ii) [redacted] 9(2)(b)(ii) [redacted]

White Horse Hill Car Park ~149K vehicles annually

This is a busy and high-profile location with car parking issues well publicised last summer. At peak times 130 vehicles arrive per hour.

We will explore:

- Pay-by-plate parking machine(s)
- 9(2)(i)
- Licence Plate Recognition cameras (LPR) for fee enforcement
- Part-time DOC rangers/wardens for pilot
- Monitoring road-side parking and other unintended consequences
- 9(2)(i) CAPEX to increase capacity by 85 car parks
- We'll explore car park pre-booking and park-and-ride to help manage car park demand.

		Notes
Year1 Revenue	9(2)(i)	Estimated using hourly rate & 90% compliance
Year1 OPEX		Estimate and tendered
Year1 Operating Profit		Not full profitability as does not include non-operating costs
CAPEX		**Year 1:** Parking payment hardware and software, increasing car park capacity by 85 car parks.
NPV		10 years (5% discount rate)
Benefit/Cost Ratio		10 years (5% discount rate)

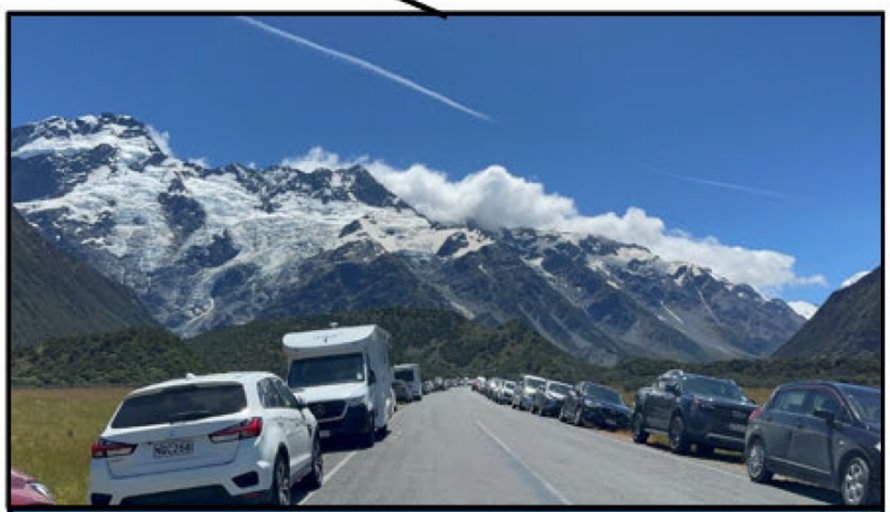
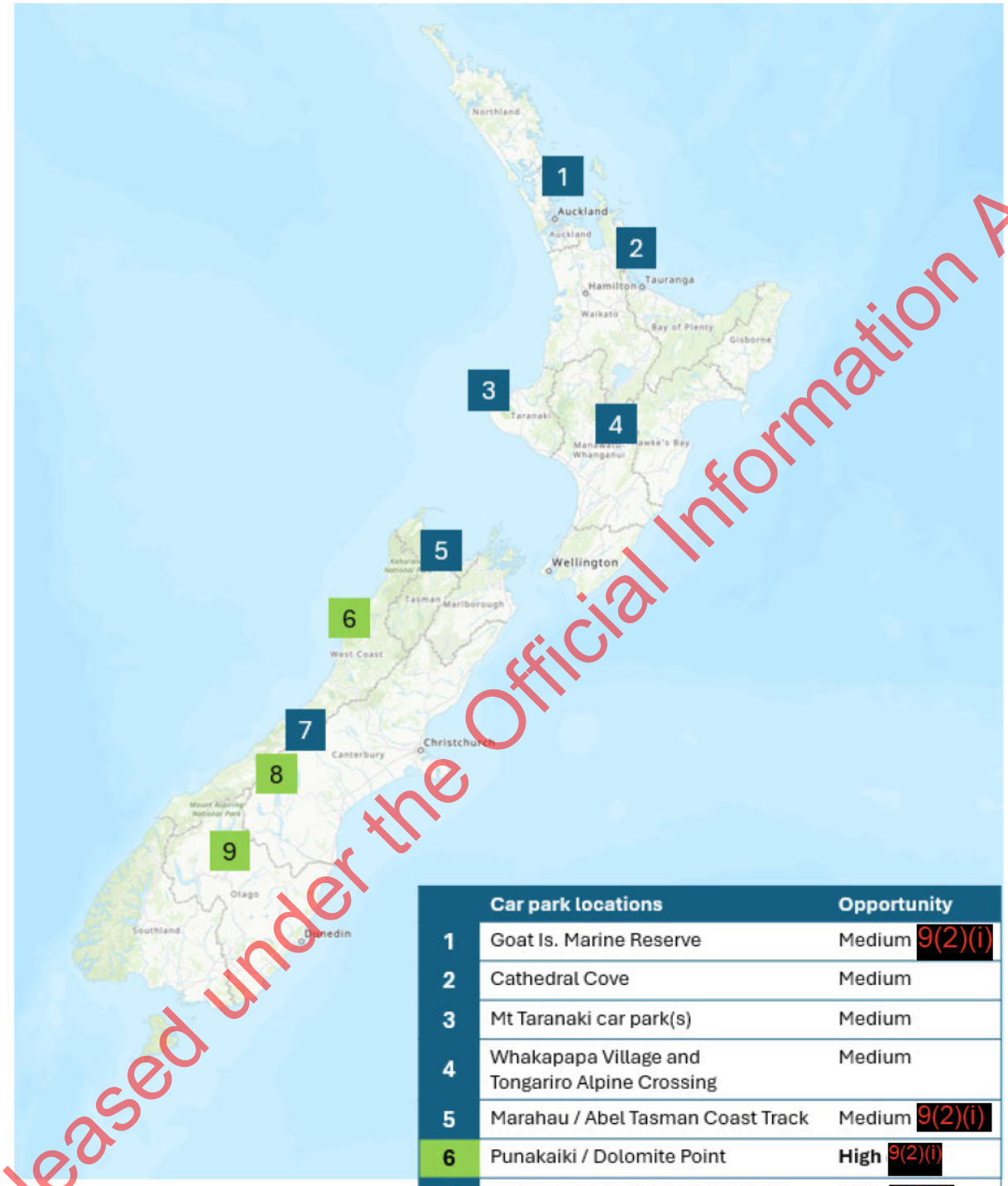


Photo from summer 23/24. Car park capacity is currently insufficient and in peak months cars park up to 1km from the actual car park along Hooker Valley Rd.

Attachment B: Map of pilot sites and other potential sites



	Car park locations	Opportunity
1	Goat Is. Marine Reserve	Medium 9(2)(i)
2	Cathedral Cove	Medium
3	Mt Taranaki car park(s)	Medium
4	Whakapapa Village and Tongariro Alpine Crossing	Medium
5	Marahau / Abel Tasman Coast Track	Medium 9(2)(i)
6	Punakaiki / Dolomite Point	**High** 9(2)(i)
7	Franz Josef Glacier walking track	**High** 9(2)(i)
8	White Horse Hill - Aoraki	**High** 9(2)(i)
9	Roys Peak walking track	Medium 9(2)(i)

Revenue generation

Car parking revenue pilot – Franz Josef Glacier Valley

ITEM 12)

Franz Josef Valley ~146K vehicles p.a. (pre-covid)

This car park is at the beginning of the popular Franz Josef Glacier/ Kā Roimata o Hine Hukatere Walk . The entry road was damaged in March 2019 by flooding and a sustainable long-term solution is required for the site and parking charges could contribute to funding rising costs.

We will explore:

- 9(2)(i) for 1% that don't do the glacier walk)
- Pay-by-plate parking machine(s) connected to internet via Starlink
- Licence Plate Recognition cameras (LPR) on single entry/exit for enforcement
- Part-time DOC rangers/wardens for pilot
- Monitoring road-side parking and other unintended consequences

Franz Josef Glacier Valley is the 3rd most visited natural attraction in NZ. Pre-Covid 20% of the total arrivals to NZ contributed to the 780,000 visitors to the Valley in 2018/19. Visitor numbers have recovered significant with over 600,000 expected in 24/25. Access into the valley is important for the visitor economy of the West Coast and New Zealand.

The entry road was damaged in March 2019 by flooding and closed for a total of 69 days between 2017-2019. The Franz Valley is subject to change from glacier retreat, river aggradation and increasing flood events. Further work is required on long-term planning for the site.

99% of visitors do the walk to the glacier viewing area, the rest do longer walks like Alex Knob Track (8hrs). Road counter vehicle counts pre-COVID were 146K, and recent track counter data shows visitor recover will be approximately 83% of pre-COVID levels by next summer. Some visitors are dropped off via a shuttle company and an estimated 2% of visitors come via concessionaire buses. The balance come via private car or campervan.

Modelled site performance		Notes
[redacted]	[redacted]	9(2)(i) [redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

*5 years used due to climate-related risk to asset life

Nick Pearce

From: Joe Ellingham
Sent: Thursday, 17 October 2024 12:52 pm
To: Aaron Fleming
Cc: Charlie Sklenar; Catherine Wilson; Meg Embleton-Muir; Charmaine Barnett
Subject: RE: SSI - Paid Car parking options

Hi Aaron

Thanks for confirming. I'll touch base with David on the opportunity at Bob's Cove and Wilson's Bay car parks. They appear small on GIS so I'm keen to get a sense of the size of the revenue opportunity and potential return on investment of implement paid parking to compare against other potential pilot sites.

Cheers
Joe

From: Aaron Fleming 9(2)(a)
Sent: Wednesday, 16 October 2024 9:43 pm
To: Joe Ellingham 9(2)(a)
Cc: Charlie Sklenar 9(2)(a) Catherine Wilson 9(2)(a); Meg Embleton-Muir 9(2)(a); Charmaine Barnett 9(2)(a)
Subject: RE: SSI - Paid Car parking options

Kia ora Joe,

It was good to discuss Roys Peak and Blue Pools carparks recently as potential sites for the pilot trial.

As advised, SSI Operations does not recommend these sites are presented to the Minister as an option for the pilot for the reasons outlined in your notes, but also because there is already some considerable angst in the Wānaka/Makarora local community about bridges under repair/replacement at both Rob Roy and Blue Pools.

Importantly, the district does not currently have the senior resource to support this work with the OM being new in her role and with the Snr Ranger H&V position being vacant.

SSI Ops is supportive of the pilot, and since our meeting we have considered both Bob's Cove and Wilson's Bay in the Whakatipu-wai-Māori district for our further consideration as potential carparks for the pilot. Both carparks are busy, and have mostly tourist usage. Please let me know if you'd like to discuss further. David Butt is the Operations Manager.

Aaron

Aaron Fleming MNZM *(ia/he/him)*
Kaihautū Matarautaki *Director Operations – Southern South Island*
Te Papa Atawhai *Department of Conservation*
Whakatipu-wai-Māori Office | Queenstown 9348
9(2)(a)

From: Joe Ellingham 9(2)(a)
Sent: Tuesday, 15 October 2024 5:54 pm
To: Aaron Fleming 9(2)(a)
Cc: Charlie Sklenar 9(2)(a); Catherine Wilson 9(2)(a); Meg Embleton-Muir 9(2)(a); Charmaine Barnett 9(2)(a)
Subject: SSI - Paid Car parking options

Hi Aaron

Thank you for your time last week to discuss potential SSI paid car parking pilot sites. We heard several concerns from you and the team, and I hope these are adequately covered in the minutes below. The follow-on actions have now been completed that have informed the attached analysis of the three different potential pilot sites in SSI.

Kepler car park – although Kepler appears a good option on the surface, there is a lack of visitor/vehicle data, so we don't have a good basis for assessing its viability. There is also the unknown of MOP next steps which makes it impossible to determine if paid car parking fits in with that. Therefore, I'd recommend we install a traffic counter at the location to assess the opportunity and required site works (e.g. do we need to close the old car parks) before paid car parking is considered at this site.

Roys Peak and Blue Pools – I have summarised the opportunities below. Based on feedback from Anita, Roys Peak has the highest portion of international visitors and the best modelled return on investment. Some site-specific critical issues are mentioned in the table below. The other critical issues we discussed that apply to all paid car parking pilot sites are listed below the table.

Site comparison matrix	Roys Peak car park	Blue Pools car park
Cost Benefit Analysis (over 10-years)	9(2)(i) [redacted]	9(2)(i) [redacted]
Visitor type	Higher portion of domestic in winter. Year-round average estimated at **35% domestic visitors,** 65% intentional visitors in rental vehicles and campervans. No busses.	Estimated use is **65% domestic visitors** doing walks/runs and swimming in the river. A lot of internationals arrive via concessionaire buses.
Site-specific issues to manage	How to work with Alpha Burn Station – the walk is not all DOC land, donations on site go to the station on site. **Mitigation:** 1. Local-led engagement with the landowner on the planned pilot supported by the project team and SSI comms advisor. 2. DOC has an easement (link here) that secured public access to the Roys Peak track during the Alpha Burn Station Tenure Review. 3. Any arrangement regarding donations to the landowner could continue at the district discretion.	How to ensure Cameron Flat campsite which is opposite Blue Pools car park isn't used for free parking. **Mitigation:** This same scenario exists at another pilot site, White Horse Hill car park with an adjacent campsite. In this situation we would extend paid parking to include the campsite too, meaning visitors parking at the campsite during the day would have to pay for parking. To facilitate this a camera and pay-by-plate machine would be installed at the campsite too.

Other critical issues raised:

How to assess pilot sites as appropriate for piloting paid car parking.
In July we assess potential pilot sites via a team process, using site selection criteria. Anita was on that call however; we should have broadened that discussion to include you too.
Site Selection Criteria

1. Financial analysis: Car parking revenues at the pilot site will exceed investment CAPEX and OPEX. The method to assess this is an NPV analysis and the criteria is:
    a) A Net Present Value >0 or Benefit Cost Ratio > 1 (over 10 years)
    b) If there is a budget/funding constraint – the highest NPV or BCR in ranked order until the CAPEX budget is allocated.
2. The pilot site is testing a range of practical Management interventions.
3. Paid car parking at the pilot site is practical and safe to implement.
4. Operations at place have the capacity to coordinate, engage on, implement, and monitor the paid car parking pilot over summer 25/26.

The 3rd criterion covers site safety, and it is a judgment call that should recognise that we have secured funding to prepare pilot sites to implement paid car parking safely. I think it's also reasonable to expect that introducing charges would improve car park efficiency (e.g. more available car parks due to faster visitor turnover, carpooling, etc.) which could help improve safety. With any pilot, we don't know what we don't know, and we can guess at potential issues, then mitigate or accept the risks, and then ground truth the reality during the pilot. We will do this by monitoring pilot sites through funded B-band rangers and some targeted outcome monitoring using contractors.

How to manage public perception and a potential backlash from the local community

1. We included this risk in the MOC briefing (DOC-7767976)
2. We are targeting piloting paid car parking at locations with proportionally high international visitors. In SSI, Roys Peak is most appropriate in this regard.
3. A draft comms plan (DOC-7722683) with key messages that focus on user pays, improving visitor management, and funding for our visitor facilities.
4. In the draft DBC I have included an outcome that ensures services at the site with paid car parking are adequately funded. Our comms plan's key messages will echo this to help demonstrate "what's in it for me" from a visitors' perspective.

How to engage with the local community
We have not recommended that DOC engagement includes consultation (e.g. town hall meetings etc.). The district would need to facilitate discussions with treaty partners and local stakeholders seeking their feedback on how we might implement this at this site (not if we should do it). For example, the district would need to work with local council or NZTA to get yellow lines on the sides of roads/highways beside car parks while we (the Heritage & Visitors Directorate) will engage with national groups like the Federated Mountain Clubs and the tourism industry.

In conclusion, of the three potential SSI pilot sites we discussed, Roys Peak would be the most appropriate due to its high portion of international visitors, and the more favourable modelled return on investment. The pilot may cause a potential backlash from the local community in Wanaka, and that the district would need to work with its partners and stakeholders. However, the district would be supported by the project team, the regional comms advisor, and through OPEX funding for seasonal rangers to support the implementation and monitoring of the pilot.

ACTION: Please confirm your preference to for if we should include Roys Peak in the pilot. Alternatively, let me know if you'd prefer we seek another location in another region.

Thanks for your time, and feel free to call me if you want to discuss this.

Regards
Joe

Joe Ellingham
Principal Commercial and Revenue Advisor
Heritage and Visitors Directorate

Biodiversity, Heritage and Visitors Group
Department of Conservation | Te Papa Atawhai
9(2)(a)

www.doc.govt.nz

Department of Conservation
Te Papa Atawhai

From: Charmaine Barnett 9(2)(a)
Sent: Thursday, 10 October 2024 4:39 pm
To: Joe Ellingham 9(2)(a)
Subject: Roys Peak - Paid Car parking options

Joe I took some rough and ready notes but pretty sure I captured the concerns from Aaron accurately - also for noting some great risks for the DBC which I will add in

C

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10 October 2024 – 3.30pm

Roys Car Park Team
Aaron Fleming
Charlie Sklenar
Teresa Murphy
Meg Embleton-Muir

Project Team
Joe Ellingham
Charmaine Barnett

Where we started
Revenues Option – May to Minister
Briefing to Minister Pilot for Paid Car Parking (7 sites) Roys Peak being one of them
Minister requested scaled down Pilot – Roys Peak being one of them

Where we are now
Briefing gone to Minister ($3.8M) three Pilot sites – Roys Peak included noted risk if site not appropriate to switch out
In the process of getting funding signed off by MOC.
DBC being finalised (next two weeks)

Installation is August 2025
Paid parking at pilot sites from next Summer

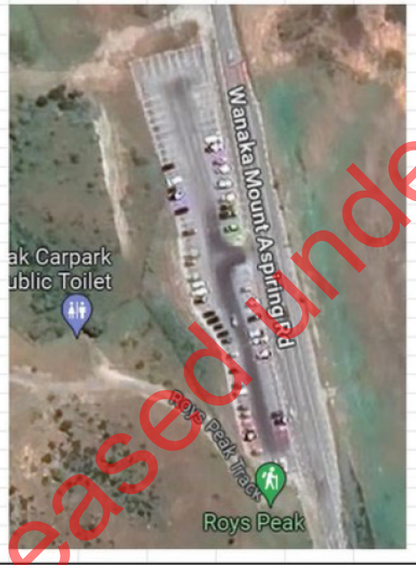
Pilot sites recommended and presented to Minister

IVL Seed funding |
Estimated total cost $3.78M

9(2)(i)

Team process – Opportunity for Roys Peak 9(2)(i) **/ Blue Pools** 9(2)(i)

9(2)(i)



	0	1	2	3	4	5	6	7	8	9	10
Visitors (growth @2% p.a)	161,474	164,703	167,998	171,358	174,785	178,280	181,846	185,483	189,193	192,976	196,836
Vehicles	38,446	39,215	39,999	40,799	41,615	42,448	43,297	44,163	45,046	45,947	46,866

9(2)(i)

9(2)(i)

	0	1	2	3	4	5	6	7	8	9	10
Visitors (growth @2% p.a)	184,178	187,862	191,619	195,451	199,360	203,347	207,414	211,563	215,794	220,110	224,512
Vehicles	43,852	44,729	45,624	46,536	47,467	48,416	49,384	50,372	51,379	52,407	53,455

9(2)(i)

Critical Issues to consider (focus on Roys Peak)

- How to manage road safety (un intended consequence on parking on the double lined road – busy road in Summer – how would we work with Council and neighbour (who currently uses paddock and charges a rate for overflow).
- How to manage the high local demand on the site (used as weekend exercise up the hill). This will be difficult to work through locally, potential backlash from local community
- Working with the station – site is not all DOC land, donations on site go to the station on site. How will we work with theirs parties
- Park and Ride opportunities?
- How do we know this is a good site to pilot?

Noted - High risk for a pilot, given how vocal local community are.
Resourcing – how will we do engagement with the Community. Burden on District as this will absorb a lot of focus.

Conclusion
Do not think this is a good site for a pilot.

Noted
Revenue opportunity is better than Blue Pools – Minister focus is on benefit cost ratios
Noted, there is funding for comms and engagement to alleviate and support District Resource – (incl Council) (noted would need to know how much is split across the three sites and this site itself would be big)

From Community to be covered there would be:
Meetings
Engagement
Council discussions

Surveys – love the facilities, love DOC – don't feel like well communicated. Don't want to run a pilot that backfires and strategically impacts other pilots
Blue Pools are under construction but there could be consideration as part of development

Critical Issues to consider (focus on Blue Pools)

Road safety – current carpark is to get cars OFF the road, will they now go back to the road (NZTA
Parking across the road (campground)and then crossing a busy road.
Locals treasure this site – the locals go there to swim (local swimming pool) – could be some backlash with Community

Understanding the demographic
Locals vs Internationals percentages
Running groups – daily basis
Noted Council did work in Wanaka for paid parking to use as an example (learning piece)
Action: Ask Anita of percentages of Local to International users of sites

Keplar carpark as a potential Pilot?
Manageable in a pilot sense
Safer site (still has local element)
Te Anau District also has the resource to support thinking in this space
Action: Joe to come up with some numbers for Keplar to be used in pilot

Consideration of other Pilots
Community engagement – all international visitors are going to have locals that are high users. We will need to confront this issue with charging – would we exempt them? Learn from this process of Community engagement and buy-in.
Discussions with Communities – if they are going to pay 9(2)(i) what are they going to get (better toilets? Better security? Better tracks? ..... added benefits)?

Charmaine Barnett
| Kairuruku Kaupapa
Conservation House Wellington | Whare Kaupapa Atawhai
www.doc.govt.nz

Department of Conservation
Te Papa Atawhai

Revenue generation

Car parking revenue pilot – Roys Peak and Blue Pools

ITEM 13b)

Roys Peak ~38K vehicles annually

This car park at the beginning of the popular Roys Peak Track, near Wanaka. It sees 181K visitors annually. This is a sealed car park with spaces delineated.

We will explore:

- 9(2)(i)
- Pay-by-plate parking machine(s)
- Licence Plate Recognition cameras (LPR) on single entry/exit for enforcement
- Part-time DOC rangers/wardens for pilot
- Monitoring road-side parking and other unintended consequences
- Working with council to stop visitors parking on road reserve

Car park beside walking access to Roys Peak a popular day hike. Public right of way to the track is secured via an easement (DOCDM-167228). Pre-covid cars were parking along roadside, charges should disincentivise parking for too long. However, charges need to consider that neighbour opposite did have parking on their property for $10, DOC introducing charges might incentivise them to undercut DOC.

Estimated visitor type pre-covid was approximately 35% domestic vehicles, 65% tourists in rental vehicles and campervans. No busses visit this site.

		Notes
Year1 Revenue	9(2)(i)	Estimated using daily rate & 90% compliance
Year1 OPEX	9(2)(i)	Estimate and tendered
Year1 Operating Profit	9(2)(i)	Not full profitability as does not include non-operating costs
CAPEX	9(2)(i)	**Year 1:** parking payment hardware and software
NPV	9(2)(i)	10 years (5% discount rate)
Benefit/Cost Ratio	9(2)(i)	10 years (5% discount rate)

Blue Pools ~37K vehicles annually

This car park was recently opened after the Blue Pools track was re-routed to this safer car park location that can accommodate more cars and buses.

We will explore:

- Pay-by-plate parking machine(s)
- 9(2)(i)
- Licence Plate Recognition cameras (LPR) for fee enforcement at the car park and adjacent DOC campsite.
- Part-time DOC rangers/wardens for pilot
- 9(2)(i) to install barriers to prevent cars parking on marginal areas.

Car park on Haast highway. Car park provides for tour buses which will impact average occupancy i.e. fewer vehicles to charge than data might suggest (unless we charge for buses) but no competing private land options nearby.

Estimated use is 65% domestic vehicles doing walks and swimming in the river. A lot of internationals arrive via concessionaire buses.

Cameron Flat campsite is across the road. Paid car parking would need to be installed at the campsite with users that stay overnight exempt from parking fines.

		Notes
Year1 Revenue	9(2)(i)	Estimated using hourly rate & 90% compliance
Year1 OPEX	9(2)(i)	Estimate and tendered
Year1 Operating Profit	9(2)(i)	Not full profitability as does not include non-operating costs
CAPEX	9(2)(i)	**Year 1:** Parking payment hardware and software for both the car park and Cameron Flat campsite.
NPV	9(2)(i)	10 years (5% discount rate)
Benefit/Cost Ratio	9(2)(i)	10 years (5% discount rate)

Revenue generation

Car parking revenue pilot – Kepler car park

Kepler car park ~unknown vehicles count

Feedback based on discussion with Grant Tremain (14/10):

Kepler car park was built 10-12 years ago. The car park is used by mostly day visitors (estm. 80%) visiting the power station control gates, walking or mountain biking tracks in the area. It is estimated that local use is approximately 60% domestic over the winter months, with a higher portion of international tourists in the summer. In addition to day use, people park here to do the 3-night Kepler Great Walk, or to stay overnight in Luxmore Hut.

Critical issues with this site:

1. How to ensure paid car parking is implemented in a coordinated way with MOP recommendations. Both directly and indirectly from the community's point of view.
2. We have no usable track or vehicle counter data to assess the financial viability of paid car parking at this site.
3. There is ample places to park on DOC and Meridian land adjacent to the car park.
4. The old car park is a 5-minute walk from the track head and would need to be closed as a free alternative, or a charge added for parking at these sites too.
5. Need to consider if to charge for overnight parking.

ITEM 14)

2 Standing and priority items

2.1 Priorities update: Generating and activating revenue through the conservation estate

Paid car parking pilot

- This item updates you on the paid car parking pilot.
- DOC has:
  - » changed the location of one proposed car parking pilot, and
  - » issued a press release on 13 November announcing the start of the trial.

Updates to sites

- We have undertaken further analysis on the feasibility and site suitability of the three pilot sites we proposed to you:
  - » White Horse Hill – Aoraki,
  - » Dolomite Point – Punakaiki, and
  - » Roys Peak - Wānaka.
- We have determined that Franz Josef Glacier valley car parks should be included in the pilot, replacing Roys Peak.
- This car park is at the start of the popular Franz Josef Glacier/ Kā Roimata o Hine Hukatere Walk which is one of DOC's most visited day visitor sites.
- Franz Josef valley car park has higher potential revenue and cost benefit ratio than Roys Peak:

Car park locations	Estimated vehicles p.a.	Estimated Revenue	Benefit cost ratio
Roys Peak	9(2)(i)	9(2)(i)	9(2)(i)
Franz Josef Glacier valley	9(2)(i)	9(2)(i)	9(2)(i)
Punakaiki - Dolomite Point	9(2)(i)	9(2)(i)	9(2)(i)
Aoraki - White Horse Hill	9(2)(i)	9(2)(i)	9(2)(i)

- Following the pilot, we will revisit introducing paid car parking at Roys Peak.

Risks

- Environmental factors mean that DOC may move Franz Josef Glacier car park in the future. We will ensure that any parking technology installed in Franz Valley is able to be relocated if necessary.

Next steps

- We will engage with stakeholders on the pilot at the Recreation Sector Forum on 4 December and with other relevant stakeholders shortly after that.
- We will keep you updated on progress on the pilot.

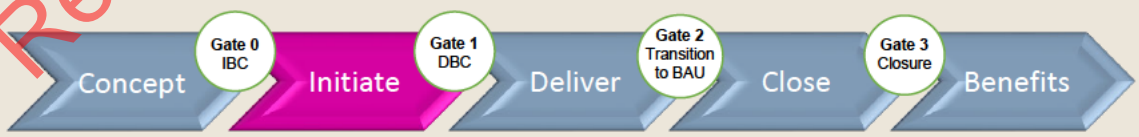
***Contact**: Cat Wilson, Director, Heritage and Visitors, Ph:* 9(2)(a)

ITEM 15)

Paid car parking pilot

Detailed Business Case

File ref: DOC-7783951



Department of Conservation
Te Papa Atawhai

New Zealand Government

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Approval

This project has been assessed via the Complexity Assessment Tool (CAT) as a Complex project

It is recommended that the Project Sponsor:

- 9(2)(i)

Financial Year ending June	2025	2026	2027	2028	2029	TOTAL
THIRD PARTY PROJECT REVENUE	9(2)(i)					
Opex project costs						
Opex contingency						
Corporate support costs						
Opex - Depreciation & other non-project costs						
TOTAL OPERATING COSTS						
Capex project costs						
Capex contingency						
TOTAL CAPITAL COSTS						
Total project budget (DOC - IVL contribution)						
Total project budget (DOC - Paid Car Park contribution)						
TOTAL PROJECT COSTS (CAPEX + OPEX)						

- Note that outer year funding will be drawn down via Funding Release Memo with Sponsor / SRO approval (within DFA) where within Time, Cost, Quality and Scope.

Note: This approval is only valid for the solution defined here, any changes in Time, Cost, Quality, Scope or Benefits to this solution will need further approval and should be requested via DOC's Project Management Framework Change Control process.

By signing this document, I agree to the accountabilities of the role of Accountable Leader/Sponsor for this as specified in the Roles and Responsibilities document.
I, the undersigned, agree with the above recommendations and approve this Detailed Business Case, and have the appropriate delegated authority to do so:

Name	DOC Title	Governance Role	Signature	Date
Penny Nelson	Director General	DFA	9(2)(a)	26/11/2024
Stephanie Rowe	Deputy Director-General Biodiversity Heritage and Visitors	Sponsor	9(2)(a)	18/11/2024
Comments:				

Endorsement

We, the undersigned, agree with the above recommendations and endorse this Detailed Business Case:

Name	DOC Title	Governance Role	Signature	Date
Catherine Wilson	Director Heritage and Visitors	Senior Responsible Owner (Single Point of Accountability)	9(2)(a)	18/11/2024
Comments: I am confident the project will be successfully managed in accordance with the PMP which I have reviewed.				
Carly Strausberg	Experience Management and Commercial Manager	Benefits Owner	9(2)(a)	14/11/2024
Comments:				

Assurance

Assurers are subject matter experts in their area. They provide support and confirmation to the Accountable Leader that the proposed idea is aligned to the organisation strategy, is technically feasible, will deliver value and benefits to the business and has a good chance of success.

Name	DOC Title	Signature	Date
Michelle Liles	Snr Portfolio Management Advisor	9(2)(a)	7/11/2024
Comments:			
Kevin Martin	Chief Financial Officer	9(2)(a)	12/11/2024
Comments: Noted the contingency plans for revenue shortfalls. Minimum requirement would be for the operating costs to be covered but looks to be enough headroom in the forecast assumptions to cover that and noting it will otherwise return a surplus to DOC which is a good outcome.			

Name	DOC Title	Signature	Date
Mark Ingram	Technology Solutions Manager	9(2)(a)	8/11/2024
Comments:			
Simon James	Procurement Manager	9(2)(a)	8/11/2024

Supporting documents

Document	Link
Minister Briefing	DOC-7767976
Map of potential pilot sites	DOC-7807131
A3's of three proposed pilot sites	DOC-7807132
Complexity Assessment Tool result	DOC-7772886
Project Management Plan	DOC-7772865 (To be developed by Project Manager during the Project)
Project Register (for Low or Medium complexity projects) or EPMT (used for Complex projects)	EPMT
Financials DBC Template	DOC-7781436
Paid Car Parking Pilot Programme costs	DOC-7773489
Change Assessment Tool	DOC- 7778689
Benefits Realisation Plan	To be completed by Project Manager during the Project.

Executive Summary

In May 2024, DOC advised the Minister of Conservation that DOC does not currently charge for any DOC-managed car parks, and that there was a solid case for implementing car park charges as a revenue generation and visitor management tool (24-B-0186 refers). The Minister agreed, and an International Visitor Levy (IVL) investment proposal was developed to pilot paid car parking at three DOC car parks (24-B-0498 refers). The proposal was approved by the Minister of Conservation on the 14th of October 2024.

We propose to run a car park charging pilot in 2025/26 at three car parks funded through the IVL. The purpose of the pilot would be to:

- establish a new mechanism to generate revenue from visitors to adequately fund the facilities and services they enjoy
- support the efficient management of car parking at sites under high visitor pressure over the summer of 2025/26
- provide insights into the costs and returns associated with different approaches to car park charging and car parks with different characteristics.

We propose piloting paid car park charges next summer (2025/26) at three sites – Punakaiki (Dolomite Point), Franz Josef Valley, and White Horse Hill (Aoraki/Mt Cook). Charging for parking at these sites is expected to generate 9(2)(i) revenue annually.

Benefits of car park charges include managing visitor pressures, a targeted fee for users of popular facilities, developing a new revenue stream to help fund the servicing of visitor facilities at some of DOC's busiest day visitor sites, and creating a model to possibly extend paid car parking to other busy DOC car parks.

We expect some public resistance to paying for car parking on PCL, as this is our first implementation. We will prepare an engagement and communications plan for the pilot that focuses on the benefits of charging and engage stakeholders and Treaty partners early in the process. Engagement will seek stakeholder suggestions on how we might successfully implement car park charges at the pilot sites.

The pilot is expected to cost $3.8M, which includes 9(2)(i) for CAPEX to form and seal Dolomite Point's southern car park and increase the capacity and efficiency of White Horse Hill car park. The site works will be funded by the pilot and managed via DOC's normal capital process.

The pilot includes funding for Operations to help manage the busy car parks over the summer, and we estimate that for each site we'll need approximately 30-50 hours of senior ranger time for engagement and pilot coordination on the ground. Operations will be supported by the project team and the Regional Communications Advisors team, while the Heritage & Visitors Directorate will engage with national stakeholders.

The project's first phase will set up the project team and determine the functional requirements of the pilot sites. We will then procure services via open tender, using market responses to help assess car park operating models and determine if DOC should fund car park charging hardware via CAPEX or fund it via a revenue share with a vendor. The procurement process is expected to be concluded in June 2025, and the successful vendor(s) will install car park hardware and undertake any required site works between July and October 2025.

The trial period will be eight months, during which we will monitor pilot sites and evaluate the success of the pilot against its objectives. Findings will inform a decision on whether to implement paid parking on an ongoing basis and what additional car parks might be considered.

Strategic Questions

Context / Purpose

What is the problem or opportunity?	DOC provides visitor experiences across New Zealand. Some popular day visitor sites like Punakaiki (Pancake Rocks) and Franz Josef Glacier Walk had over 500K visitors at these sites pre-COVID. Over 80% were international visitors. DOC has invested millions of dollars in infrastructure to enable visitors to access and enjoy these sites safely. This investment includes capital assets like boardwalks, toilets, bridges, safety barriers, shelters, nd car parks. There is currently little direct cost recovery from visitors for the provision and servicing of facilities at these popular day sites and DOC cannot afford to maintain these facilities without generating additional revenue. Currently, only 8-10% of DOC's budget for recreation is recovered through user fees and charges on its facilities. Car parking charges are common off PCL at busy locations. Parking charges are a mechanism to generate revenue, help manage visitor demand and improve car park efficiency and availability. DOC cannot charge for walking access to these sites but it can charge for using its facilities, including its car parks. Revenue is a priority for The Minister of Conservation (MOC), and in October 2024, agreed to fund paid car parking pilot (24-B-0498 refers). The purpose of the proposed pilot is to: • establish a new mechanism to generate revenue from visitors to adequately fund the facilities and services they enjoy • support the efficient management of car parking at sites under high visitor pressure over the summers of 2025/26 • provide insights into the costs and returns associated with different approaches to car park charging and car parks with different characteristics A feasibility analysis was undertaken for various potential pilot sites and Team Process discussions were held with each site's District Operations team. The analysis included potential net revenue from car park charges at the three pilot sites as well as the required CAPEX and shows a potentially strong revenue stream that is likely to exceed costs with a positive benefit-cost ratio. Three sites were selected to pilot car park charges next summer (2025/26) Punakaiki (Dolomite Point), Franz Josef Valley nd White Horse Hill (Aoraki/Mount Cook). Paid car parking is forecast to return over 9(2)(i) annually once charging is implemented at the three pilot sites. Once the performance of the first three pilots is evaluated in June 2026, the findings and learnings would be used to extend paid car parking to other DOC car parks.
What are the main investment objectives?	The objectives of the paid car parking pilot: • Efficient management of visitor car parking at busy sites that improves customer experience • Establishing a fair mechanism for visitors to help improve the financial sustainability of the visitor network • Recruit core project team and critical infrastructure roles to progress project planning • Establishment of project management, governance, and project delivery structure(s)

	• Gain comprehensive insights into the costs and returns associated with implementing paid car parking • Learn how to implement paid car parking as part of business as usual, where appropriate (e.g. a toolkit, confirmed technology, processes, etc.)
What is the overall change impact of this investment?	Introducing charges at three DOC managed car parks is expected to have a low impact on the over one million visitors to these sites. The change will also introduce a new policy and procedures to implement car park charges, which will affect Operations colleagues at place, as well as Finance, and ISS. Because the change affects just three locations, this change impact was assessed as "Low" using the Change Assessment Tool (DOC-7778689) Therefore, a Change Manager is unlikely to be required.
Change Impact Assessment	Low
What is the overall impact on the site?	The changes are assessed to have a low impact on the recreational values at the pilot sites.

Strategic Drivers

How does the proposal align to the Department's strategy?	Growing revenue to improve DOC's financial sustainability is a Ministerial priority, and the Minister of Conservation instructed the Department to prepare a business case for a car park charging pilot (24 B 0186 refers) Paid car parking directly aligns with two intermediate outcomes in DOC's Strategy: • Visitors enjoy a sustainable number of experiences • DOC is financially sustainable and known to be effective And two key shifts: • #23 – We will increase cost recovery, revenue generation and third party investment in visitor experiences so that the network is sustainable • #30 – We are clear on what we can and can't do and demonstrate value for money The proposal methodically explores our options within these parameters, as they relate to generating a new revenue stream from visitors, supporting efficient car park management, and enhancing visitor experiences at site.
Is this proposal driven by compliance / policy / legislative requirements?	Yes, the proposal has political drivers. Revenue is a Ministerial priority and the Minister of Conservation has instructed the Department to prepare a business case for a car park charging pilot and has approved IVL funding for a pilot. There is a low risk of compliance and/or legislative requirements causing issues.
Is this proposal driven from prior risk identification?	No.
Is this entered on the Investment Intentions Schedule and / or Business Group's Business Plan?	Yes, it is in the Heritage and Visitors Directorate's Business Plan

Benefits

ID #	Benefit Title	Benefit Category	Strategic Outcome	Benefit Measure Description	Baseline Value & Date	Target Value & Date	Benefit Owner
1	Establishing a fair mechanism for visitors to contribute to facility costs.	Financial	DOC is a great organisation	Visitors contribute to costs of the facilities they use (monetised benefit)	TBD in the Benefits Realisation Plan.	TBD in the Benefits Realisation Plan.	Carly Strausberg
	Better Visitor Management at DOC sites	Visitor or Customer	Connection with nature and cultural heritage enriches people's lives	How visitors rate the car park facilities and services OR there is no material impact to visitor numbers at pilot sites.	2024/25: Sites with baseline visitor surveys with car park rating scores: Visitors' average rating of the car park. Sites without baseline survey data: Visitor/vehicle counts	2025/26: Sites with baseline visitor surveys with car park rating scores: No material negative impact to visitors' average rating of the car park. Sites without baseline survey data: There is no material impact to visitor counts.	Carly Strausberg

Dis-Benefits

ID #	Dis-Benefit Title	Dis-Benefit Description	Baseline Value & Date	Expected Impact & Date	Dis-Benefit Owner
1	DOC is no longer offering free parking at these popular day visitor sites.	DOC is no longer providing free parking at pilot car parks	DOC does not charge at any car park so charging will not factor into user decisions.	Some visitors may choose to avoid DOC car parks with charges for affordability reasons	Carly Strausberg

Risks

Multiple team processes have been held to assess project risks. Risks have been catalogued and site specific risks identified through discussions with district offices responsible for the pilot locations. The risk register reflects the risks identified to date.

Number of Identified Risks

The table below shows the total number of all risks currently identified for each rating level.

Risk Rating	Number of risks
Extreme	0
High	
Medium	
Low	0
Negligible	0
Total Risks	0

Extreme / High Risks

The following table typically shows all current project risks with a rating of Extreme or High. We have included Medium risks too for visibility. The Project Register, which contains all identified project risks, is in EPMT

Risk Group	Risk Category	Short Name	Source of Concern or Opportunity	Implications	Risk Owner	Rating	Governance Actions
Project Delivery Risk	Stakeholder/Reputational	Comms Bring public along this journey.	IF we neglect to provide coherent media/comms and engage with partners and stakeholders.	THEN we may receive 'reactive' requests for information as well as a reputational risk to organisation. Our output of creating revenue for DOC sites may not be understood clearly.	Senior Responsible Owner	High	A draft comms plan (DOC-7722683) with key messages that focus on user pays, improving visitor management, and funding for the servicing of the visitor facilities at these sites. The district would need to facilitate discussions with treaty partners and local stakeholders seeking their feedback on how we might implement this at this site. For example, the district would need to work with local council or NZTA to get yellow lines on the sides of roads/highways beside car parks while the Heritage & Visitors Directorate will engage with national stakeholders
Flow-on Risk	Stakeholder/Reputational	Perverse outcomes at pilot sites and surrounding areas.	IF we don't complete a risk assessment to identify and manage potential unintended consequences of introducing car park charges at a site.	THEN there might be some unintended consequences.	Project Manager	High	With any pilot, we don't know what we don't know, and we can guess at potential issues, then mitigate or accept the risks, and then ground truth the reality during the pilot. We will do this by monitoring pilot sites through funded B-band rangers and some targeted outcome monitoring using contractors and make adjustments as needed
Flow on Risk	Property/Structure/Asset/Security	Causing disruption at busy car parks	IF we attempt to introduce car parking	THEN there is a risk of harm to visitors and disruption to the	Project Manager	Medium	We are targeting all work to occur over winter 2025.

Risk Group	Risk Category	Short Name	Source of Concern or Opportunity	Implications	Risk Owner	Rating	Governance Actions
		during peak months	solution to sites over busy periods	Operations Staff on site.			The project plan for each pilot site will be developed with Operations teams at place to ensure work on site has minimal impact on visitors and Operations.
Flow-on Risk	Governance: Operational/Planning	Comms Alignment with other announcements	IF we don't provide comms, or pitch to the right audience at the right time.	THEN we may miss an opportunity to engage with DOC staff to relay messaging in a positive light (i.e. Revenue generated to enhance, upkeep DOC sites).	Project Team/ Business Owner	Medium	Work with Comms team to ensure a consistent approach to messaging between all other concurrent comms and engagement (e.g. access charging, FVN's Visitor Network Strategy) to that the target audience are receiving consistent and joined up messaging

Issues

The following table shows all current high priority project issues.

Issue ID	Issue Description	Priority	Action Required	Severity	Status	Issue Owner
	High local demand - IF we fail to adequately identify and engage locals as 'high users' and recognise their needs	High	We are targeting piloting paid car parking at locations with proportionally high international visitors. We will also explore differential pricing for locals.	Management Awareness	Under Action	Project Manager/Ops Manager
	How should parking charges apply to concessionaires (e.g. bus companies) and how to communicate this with the industry.	Medium	Engagement with Regulatory Services to confirm how car park charges integrate with the concessions system.	Management Awareness	Under Action	Project Manager
	We need to develop a re booked parking solution for White Horse Hill car park which will need to function seamlessly with onsite parking systems.	Medium	Thoroughly scoping functional requirements for all pilot sites to ensure that vendor proposed solutions are fit for purpose and implementable at all pilot sites	Project Owned	New	Project Manager

Health & Safety

Staff Health & Safety

This project's specific health and safety considerations relate to onsite activities, such as physically replacing or adding equipment at sites to install the network solution.
Such hazards may include:

- Trips and falls
- Electrocution
- Lifting heavy loads

DOC staff and supplier resources will follow effective health and safety practices during the roll out to comply with the Health and Safety at Work Act 2015.

All contractors completing high risk work for DOC are required to hold a current Health and Safety (H&S) prequalification completed by an independent third party provider. Prequalification will be a mandatory criterion for selecting the preferred vendor, and any electrical work must be undertaken by a qualified electrician

Visitor Safety

The visitor safety risk is assessed at neutral for the three pilot sites because visitors already park on roadsides at some pilot sites on busy days, representing a pre-existing visitor safety risk. It's reasonable to expect that introducing charges would improve car park efficiency (e.g., more available car parks due to faster visitor turnover, carpooling, etc.), improving the availability of car parks and reducing roadside parking. Conversely, there is a risk that some visitors may try to avoid paying for parking by parking along the roadside. The latter risk is noted in the risk register and will be monitored and managed at each pilot site.

In addition to being noted in the risk register, districts with pre-existing site control plans that cover the pilot sites will review and update them if required.

Privacy

DOC is required to comply with the Privacy Act 1993. DOC will require in the RFP that submitted tenders' confirmation that their proposed solutions adhere to the relevant provisions in the privacy act.

Dependencies

- Appropriate car parks to pilot paid parking
- DOC limitations on ability to recruit project team roles
- Support from the organisation such as availability of suitable teams, and availability of ISS services as identified in this DBC
- Securing suitable paid car park hardware vendor(s) for the pilot sites
- Securing a car park pre booking system that integrates with the onsite paid parking hardware at White Horse Hill car park
- Increasing the capacity of White Horse Hill car park

Deliverables

In Scope

Deliverable Type	Deliverables (Scope baseline for project delivery)	Target Delivery Date
Recruitment	Business Analyst (EMPO) Project Coordinator (EPMO shared resource) Project Manager (HVD) Pricing & Investment Analyst (HVD) Onsite B band rangers/car parking wardens (Regional Ops)	November 2024 November 2024 January 2025 January 2025 October 2025
Procurement	Procurement of paid parking solutions (software and hardware) and associated professional services (e.g. enforcement services). Procurement of contract car parking wardens for Dolomite point.	June 2025
IT	Installation of paid car parking solutions and infrastructure, internet and network solutions on site.	September 2025
IT	The supplier will be responsible for installing the car parking solutions, infrastructure, and network. The supplier will facilitate the interface with our network (if required), data warehouse (Snowflake), and finance system (SAP) There will be integration with DOC network, data warehouse and finance systems.	September 2025
Physical Works	Built infrastructure to facilitate efficient paid parking at pilot sites. This includes increasing the capacity of White Horse Hill car park (August-25) and forming and sealing of the southern car park at Dolomite Point (September 25).	September 2025
People/Process	Supplier led / Project Team led training for onsite teams	September 2025
Finance	Responsible for reconciling the financial data from the car parking machines in SAP	September 2025
People/Process	Develop a car park management model that includes charging to ensure a consistent approach to car park management and charging at DOC car parks funded by DOC's capital programme	June 2026

Out of Scope

Out of Scope Item	Rationale
Charging for walking access to PCL	DOC cannot charge for walking access to land held under the Conservation Act 1987 and the National Parks Act 1980.

Māori and Stakeholder Impact

Area	Impact Level	Impact Description
Māori	Nil	Nil
Iwi/hapū /whānau	Low	Engaged directly by Operations teams at place that hold these established relationships and will seek input into the approach DOC takes to pilot paid parking.
External groups	High	Public Information: Media release, interviews (if requested). Information on the scope and benefits of charging for parking at busy DOC car parks, how it relates to access charging, the Visitor Network Strategy and other topics made public at a similar time. H&V will engage with external groups on a targeted basis and via the Rec Sector Forum (December-24) to seek stakeholder contributions on how we approach the pilot.
All Internal (DOC wide)	Low	Learning for other projects, advice and support where required.
DOC Staff	Medium	Internal DOC staff at proposed pilot sites (leadership and delivery), and the Heritage and Visitors Unit (senior visitor advisors in particular).
Communications	High	Public Information: Media release, interviews (if requested). Information of the scope and benefits of charging for parking at busy DOC car parks, how it relates to access charging, the Visitor Network Strategy and other topics made public at a similar time. Site specific comms supported by Regional Communications Advisors.
Finance	Medium	Support from DOC business partner.
ICT (ISS)	High	Solution design. Any technology or applications will be managed by the Technology Solutions team in ISS
Legal	Low	Some advice and support where required.
Policy	Low	Some advice and support where required.
Asset Management	Medium	Sponsor for any asset capital business cases (e.g. capital works at Dolomite Point and White Horse Hill car parks) and ensuring its adequately reflected in the Asset Management System (EAM).
Monitoring Design and Advice Team	High	Paid Car parking Monitoring and Evaluation Programme, Survey Instrument

Economic Questions

Options Analysis

	Solution 1 – Pilot car park charging at three DOC car parks, with an assessment of car park charging hardware CAPEX funding model post-RFP	Solution 2 – Pilot car park charging at three DOC car parks, with DOC funding car park charging hardware CAPEX	Solution 3 – Do nothing
Advantages/Benefits	• 9(2)(i) • Allows a range of charging solutions to be tested and evaluated • Lays foundation for robust, sustainable new revenue stream across DOC car parks • Facilitates high confidence level in wider implementation across DOC • A more commercial approach because it ensures DOC selects the most capital efficient operating model • Vendor-funded CAPEX for car park charging hardware would reduce DOC's CAPEX requirements for an ongoing share of car park revenue • DOC could select a mix of operating models (some DOC funded, others vendor funded)	• 9(2)(i) • Allows a range of charging solutions to be tested and evaluated • Lays foundation for robust, sustainable new revenue stream across DOC car parks • Facilitates high confidence level in wider implementation across DOC • DOC-funded CAPEX would possibly require a shorter contract term so DOC can make changes after the initial 8 month pilot	• Don't implement charges at DOC car parks • Low effort
8Disadvantages/Risks [should be reflected in Project Risk Register]	• An added step which may delay vendor selection and implementation • A vendor CAPEX model may include a longer contract term	• DOC funding car park charging hardware will require all approved funding • DOC owning hardware means that DOC bears the full risk of	• No new revenue stream from DOC car parks to cover high visitor servicing costs at DOC's busy car parks

	reducing the flexibility to assess vendor performance and make changes after the 8 month pilot	hardware failure or performance issues	• Visitor pressures will remain to go unmanaged impacting visitor safety and the environment
Procurement Method	• Request for proposal via Open Tender • Assess and select proposed operating models and hardware solutions for each pilot site • Contract vendor(s)	• Request for proposal via Open Tender • Assess and select proposed hardware solutions for each pilot site • Contract vendor(s)	• N/A
Meets Investment Objectives?			
Investment Objective 1: Establishing a fair mechanism for visitors to help improve the financial sustainability of the visitor network.			
Investment Objective 2: Gain comprehensive insights into the costs and returns associated with implementing paid car parking.			
Investment Objective 3: Gain knowledge to implement paid car parking as part of business as usual (standard processes, fit-for-purpose technologies).			
Meets Critical Success Factors?			
Strategic Fit Aligns with organisational strategies, programmes and projects			
Business Need Meets agreed investment objectives, related business needs and service requirements			

Value for Money (Benefits vs. Cost/Risks) Optimises value for money (i.e. the optimal mix of potential benefits, costs and associated risks)			
Mitigates Enterprise Risk Mitigates the enterprise risk			
Potential affordability Can be met from likely available funding, matches other funding constraints			
Ranking	Proposed Solution	2nd Option – mostly meets objectives	3rd Option – does not meet objectives

Preferred Solution

The preferred option is Solution 1 Pilot car park charging at three DOC car parks, with an assessment of the hardware CAPEX funding model post-RFP, which is a more commercial approach and meets all investment objectives and critical success factors.

Solution 2 was rejected because it removes an assessment of the operating model post-RFP, which may result in DOC selecting a more capital intensive operating model than is necessary. Solution fails to meet the investment objectives or key mitigations altogether

Commercial Questions

Procurement Strategy

The project will work with the following key contacts when undertaking procurement activities and seek advice contributing to the Procurement Strategy for the aid car parking project. The procurement plan will be created after the DBC approval. The approach for the procurement plan is as follows and has been discussed and endorsed by the Procurement Team. The Procurement Team will support this project as part of BAU.

Name	Role
Simon James	National Procurement Manager
Elizabeth Oliver	Supplier Advisor
Clara Liu	Category Lead ISS

Please see anticipated timeframes below:

Procurement activity	From	To
Procurement Plan development	19/11/2024	20/1 /2024
RFP Development	16/12/2024	31/01/2025
Procurement Plan approval	06/01/2025	17/01/2025
Tender in market (GETS)	11/02/2025	18/03/2025
Evaluation	18/0 /2025	10/04/2025
• Registration of responses	18/0 /2025	20/0 /2025
• Evaluation of responses	21/03/2025	07/04/2025
• Determine operating model (DOC vs vendor CAPEX)	21/03/2025	07/04/2025
• Moderation meeting	10/04/2025	10/04/2025
Due diligence	10/04/2025	21/04/2025
Evaluation report written and endorsement by evaluation panel members	10/04/2025	28/04/2025
Evaluation report approval	31/04/2025	04/05/2025
Advise suppliers	07/05/2025	07/05/2025
Negotiations	08/05/2025	21/05/2025
Contract executed	22/05/2025	29/05/2025
Contract begins	30/05/2025	30/05/2025
Debrief unsuccessful suppliers	June 2025	

Financial Questions

The table below includes the cost of the preferred option (+/ 10% confidence). Significant assumptions and points to note in developing the costs are:

Capital requirements have been informed by engagement with third-party car parking operators to understand potential operating models and approximate costs. These costs will be market-tested through a competitive tender (RFP) via Government Electronic Tenders Service (GETS), which may reduce investment requirements and the costs of ongoing depreciation.

ar park revenue in FY26 (the pilot year) is for October to June only. Car park revenue from FY27 on is expected to total 9(2)(i) and more than cover all ongoing operating and depreciation costs

Forecast revenue assumptions are:

- 9(2)(i)
- A capped daily parking fee where visitors stay for an extended period or overnight
- Site specific vehicles volumes per annum sourced from road or track counter data
- Site specific average visit length and vehicle type (car or bus)

Ongoing costs are shown below with some of these costs are already being met within existing budgets. Depreciation is a new cost that this project will incur and need to mee through new car park revenue.

- 9(2)(i)

Financial Template: DOC-7781436

FINANCIAL YEAR ENDING JUNE	2025	2026	2027	2028	2029	TOTAL
THIRD PARTY PROJECT REVENUE	9(2)(i)					
Personnel						
Contractors & Consultants						
Other						
Project operating costs						
Contingency						
Corporate support costs						
Asset sale and write-off						
Ongoing opex (funded from car park revenue)						
Depreciation (funded from car park revenue)						
Capital charge (IVL = No Capital Charge)						

FINANCIAL YEAR ENDING JUNE	2025	2026	2027	2028	2029	TOTAL
TOTAL OPERATING COSTS						
Purchased materials						
Personnel						
Contractors & Consultants						
Other						
Project capital costs						
Contingency						
TOTAL CAPITAL COSTS						
Total project budget (DOC - IVL contribution)						
Total project budget (DOC - Paid Car Park contribution)						
TOTAL COSTS (CAPEX + OPEX)						
WHOLE OF LIFE COST						

9(2)(i)

Personnel / FTE Uplift

Role Title (by Director Area):	FY 24/25 1.5 FTE	FY 25/26 2.0 FTE	FY 26/27 0.5 FTE	Total
Project Manager (HVD) 18-month contract	0.5 (6 months)	1.0 (12 months)		1.5 (18 months)
Project Coordinator (EPMO) 18-month contract	0. 5 (6 months)	0.5 (12 months)		0.75 (18 months)
Pricing & Investment Analyst (HVD)		0.5 (6 months)	0.5 (6 months)	1.0 (12 months)
Total annual FTE uplift	**0.75**	**2.0**	**0.50**	**3.25**

Funding Source(s)

Funding Source(s)	2025	2026	2027	2028	2029	Total
DOC - International Visitor Levy						
Total Capital / CAPEX						
DOC - International Visitor Levy						
DOC – Third Party Revenue – Paid Car Park revenue						
Total Operating / OPEX						

9(2)(i)

Funding Allocation

DOC - IVL Funding – Allocated to:	2025	2026	2027	2028	2029	Total
IVL – Paid Carpark Pilot Mgt OPEX WBS: D350000002 (Cat Wilson – HVD)	9(2)(i)					
Pilot Site 1 – White horse Hill CAPEX WBS: TBC (Initially HVD)						
Pilot Site 1 – White horse Hill OPEX WBS: TBC (Initially HVD)						
Pilot site 2 – Dolomite Point CAPEX WBS: TBC (Initially HVD)						
Pilot site 2 – Dolomite Point OPEX WBS: TBC (Initially HVD)						
Pilot Site 3 – Franz Josef CAPEX WBS: TBC (Initially HVD)						
Pilot Site 3 – Franz Josef OPEX WBS: TBC (Initially HVD)						
Corporate overheads – Organisation Support						
Total DOC - IVL Funding Allocation						

DOC – Third Party Revenue - Car Park contribution – Allocated to:	2025	2026	2027	2028	2029	Total
Ongoing opex Regional Operations	9(2)(i)					
Depreciation Depreciation central pool						
Total DOC – Third Party Revenue – Paid Car Park contribution – Funding Allocation						

Management Questions

Project Governance and Management

This project will be delivered using DOC's Project Management Framework (PMF). This includes the standard PMF Roles and Responsibilities. The Governance Terms of Reference for the project are located here: DOC-7791466

Governance Role	Team Process Alignment	DOC Title	Name
Project Sponsor	Task Assigner	Deputy Director General Biodiversity Heritage and Visitors	Stephanie Rowe
Senior Responsible Owner	Single Point of Accountability and Team Leader	Director Heritage and Visitors Directorate	Catherine Wilson
Benefits Owner	Team Member	Experience Management and Commercial Manager	Carly Strausberg
Senior Supplier (if applicable)	Team Member	Technology Solutions Manager	Mark Ingram
Senior User (if applicable)	Team Member	Regional Ops	Owen Kilgour Jo MacPherson
Delegated Business Owner		Principal Commercial and Revenue Advisor	Joe Ellingham
Management Role	**Team Process Alignment**	**DOC Title**	**Name**
Project Manager	Project Team Task Assigner	Project Manager (HVD)	TBD
Project Co-ordinator	Team Member	Project Co-ordinator (EPMO)	TBD

Note the addition of a delegated business owner, Joe Ellingham, who has been with this project through Concept, Initiation and will continue through to the Delivery phase until recruitment is completed. The delegated Business Owner will attend project stand-ups for quick approvals and oversight, reporting any items filtered down from SLT/SRO to the team. Their role includes:

- Attending Governance Group meetings with the Project Manager will give pre approval of the pack and reporting prior to Chair approval.
- Comms Plans/DBC/Change documents/TOR/Closure Reports quality assurance and approval before SRO approval to enable confidence to the SRO, Benefits Owner and Project Sponsor to ensure quicker turnaround time frames.
- Keeping the project in line with policy/procedure and ensure that the project's scope remains as intended.

Expected Resource Requirements

Business Unit	Skill Required	No. internal staff (FTE)	No. of contractors (FTE)	Comments
HVD	Delegated Business Owner Joe Ellingham	0.5		To enable access to faster decision making
HVD	Project Manager	1.0		Fixed term for 18 months
External	Business Analyst to assess functional and non-functional requirements		1.0	4 month contract
EPMO	Project Coordinator	0.5		Fixed term for 18 months
Internal	Pricing & Investment Analyst	1.0		Fixed term for 1 year
Internal	Senior Rangers at pilot sites	40-50hrs		In the lead up to and during the pilot.
Internal	Comms & media (Strategic ommunications & Engagement)	0.5 (existing resources)		For specific dates

Key Milestones

The key critical path milestones for the project are:

Date	Key Milestones
15/11/2024	DBC approved.
November 2024 to January 2025	Recruit funded project roles to set up and implement the pilot and to support other revenue improvement initiatives.
December 2024 to January 2025	Project Manager recruited.
November 2024 to March 2025	Prepare and undertake open tender for solutions for each selected site.
March 2025 to June 2025	Assess submitted tenders, determine what model, solution and vendor(s) to contract.
October 2024 to December 2024	Develop communications & engagement plan for the pilot.
June 2025 to July 2025	Develop a monitoring and compliance plan for each pilot site.

Date	Key Milestones
June 2025 to September 2025	Installation of paid car parking hardware at three pilot sites for summer 2025/26 and integration with DOC systems.
October 2025 to May 2026	Monitor and evaluate performance of car park charges at pilot sites against pilot objectives.
June 2026	Decision to continue charging, recommend improvements for pilot sites.
June 2025 to June 2026	Develop a draft national toolbox for paid car parks
30/06/2026	Closure Phase Complete

Project Management Planning

The Project Management Plan for the project is located here: 3. PMP Paid Car Parking Pilot. This provides an overview of how this project will be delivered