

Action required: Review and Endorse

Time required from SQ: 30 minutes

To Ruth/other: Yes, for endorsement of approach.

Scheduled review time: 8am Wed 6 Aug

Context:

- We have worked on the approach to fees for these permissions ahead of the time that fees assessments will be required
- We are seeking your endorsement to the approach (noting that once decisions are made we will work with Pip to finalise fees based on this approach and relevant conditions of any decision
- We recommend:
  - Setting the activity at the market rate, subject to a conditional discount: s 9(2)(j) if a bond is paid
  - An annual bond s 9(2)(j) Assuming all concessionaires pay the bond over a 10-year term, this will reduce the assumed financial risk s 9(2)(b)(ii)  
s 9(2)(b)(ii)
- The bond will be paid to a trust bank account and held for remediation of the site at the end of the term. Applicants will receive a refund of the bond if they remove the infrastructure themselves.
- This has been discussed with the Ops Manager, and Ops Director who are very supportive of this approach, and have commended the high quality work Kayla has done.
- We have been advised that Ngai Tahu would like the term to be five years instead of ten. If this occurs, it will impact the bond amount and increase assumed financial risk at the end of the term s 9(2)(b)(ii)

Links to DocCM or SharePoint (or attach):

- Activity fee assessment: <https://doccm.doc.govt.nz/cwxv4/wcc/faces/wccdoc?dDocName=DOC-10380009>
- Remediation bond recommendations: <https://doccm.doc.govt.nz/cwxv4/wcc/faces/wccdoc?dDocName=DOC-10380008>

**MEMO**

**DATE:** 5 August 2025

**TO:** Ruth Isaac, Deputy Director-General Policy and Regulatory Services

**CC:** Siobhan Quayle, Director Regulatory Systems Performance

**FROM:** Kirsty Cameron, Commercial Manager  
Kayla Mahon, Senior Commercial and Revenue Advisor

**SUBJECT:** Lower Selwyn Hut Concession Activity Fees

**Background and Context**

1. The Department of Conservation (DOC) is currently processing 49 applications for transitional 10-year leases for the Lower Selwyn Huts.
2. Upon expiry of these leases, all huts, many of which contain hazardous materials such as asbestos, must be removed from the land and the sites remediated. This approach aligns with the Conservation General Policy, which mandates the gradual removal of private accommodation from public conservation land.
3. Given the nature of the huts and the socioeconomic status of many owners, some owners may abandon their huts at the end of the lease term or earlier, which would leave DOC responsible for removal and site remediation.
4. To mitigate the risk, a bond, payable in annual instalments over the 10-year concession term, is being recommended in a separate memo.
5. In addition to an annual restoration contribution, an annual concession activity fee is required to be determined. This is the rent payable to the crown for the right to occupy the conservation land.
6. Under the previous leases for these sites, concessionaires have paid the following annual fees:

Type of Fee	Previous Charge (including GST)
Management Fee	\$402.50
Activity Fee	\$1,014.00
Monitoring Fee	Standard departmental charge-out rates for staff time and mileage

7. In addition to these charges, the applicant is also required to pay rates to the Selwyn District Council. The annual rates for the 2024/2025 year are \$1,512.75.
8. The concession activity fee of \$1,014.00 was established in 2017 by an independent valuer who determined that a fee of 6.5% of the land value was reflective of the market fee for this activity.

## Fee Assessment

9. There are three price book approved fee-setting methods that we can use to determine the market fee:
  - a. 6% of land value
  - b. A m<sup>2</sup> rate (\$16/m<sup>2</sup> for the lease area)
  - c. A minimum fee of \$2,000
10. Based on the assessment of options outlined in the Appendix, the recommended market fee for this application is between s 9(2)(j) per site, based on the m<sup>2</sup> fee option.
11. As all sites have been priced on a consistent fixed fee in the past, and most of the huts have a lease area of 162m<sup>2</sup>, I recommend adopting a fixed rate s 9(2)(j) for each of the 49 sites.

## Affordability Considerations / Discount

12. Considering the broader contextual factors and to encourage the uptake of the annual restoration contribution, I consider there to be sufficient grounds to apply a discount to the concession activity fee under section 17C(f)(iii): "any circumstances of the concession justify such waiver or reduction."
13. These leases are intended to be transitional, with all structures required to be removed at the end of term. While it is not uncommon to require structure removal if a new concession is not sought or granted, it is unusual for a lease to be granted with a fixed end date as the proposed final lease for that activity. This, combined with the financial risks to DOC, particularly if fees go unpaid or structures are abandoned, constitutes a circumstance that justifies a fee reduction.
14. I recommend that the following conditional discount be applied to the market concession activity fee:
  - a. The annual concession activity fee shall be reduced each year to the lesser of:
    - i. the amount equal to the annual concession activity fee minus the annual restoration bond payment made by the Grantee; or
    - ii. six percent (6%) of the assessed land value
  - b. This reduction shall apply only if the Grantee continues to make the annual restoration contribution payment in full and by the due date each year.
  - c. For clarity, the total annual concession activity fee shall not be reduced below six percent (6%) of the assessed land value, regardless of the amount of the annual restoration contribution payment.

s 9(2)(g)(i)

Released under the Official Information Act 1982

**Recommended Fees**

**Activity Fee**

\$2,592.00 including GST (if any) per annum  
Reduced in accordance with Schedule 3 Condition X.

**Conditions for Schedule 3**

1. The annual concession activity fee shall be reduced each year to the lesser of:
  - a. the amount equal to the annual concession activity fee minus the annual restoration contribution payment made by the Grantee; or
  - b. six percent (6%) of the assessed land value.
2. This reduction shall apply only if the Grantee continues to make the restoration contribution payment in full and by the due date each year.
3. For clarity, the total annual concession activity fee shall not be reduced below six percent (6%) of the assessed land value, regardless of the amount of the annual restoration contribution payment.

**Decision**

Pursuant to the Conservation Act 1987, the recommended fees outlined above are:

Endorsed                      Yes



Signed by Siobhan Quayle, Director Regulatory Systems Performance  
Date:

Pursuant to the Conservation Act 1987, the recommended fees outlined above are:

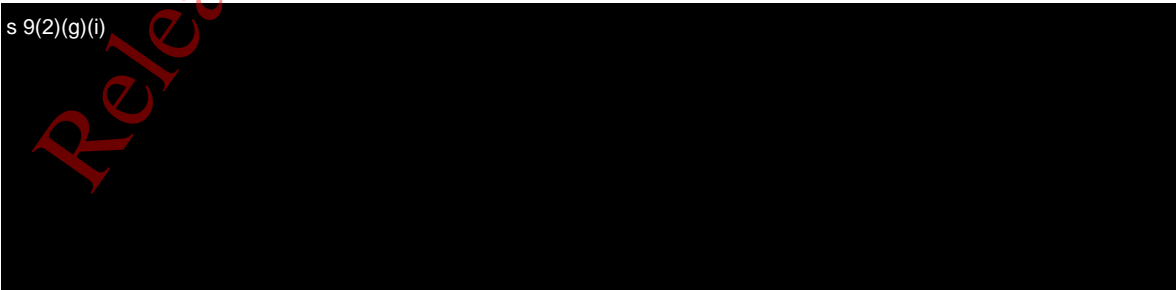
Approved | Declined



Signed by Ruth Isaac, Deputy Director-General Policy and Regulatory Services

Date:

Pursuant to the delegations dated 9 September 2015



New Application Number	Holder	Description	Per Rating Valuation (m2)	Land Value (Ratings)	m2 Rate - \$16/m2 (preferred)	6% Land Value	Minimum Fee
117639-ACC	HALFORD, Justin Kane	Section 1 Lower Selwyn Huts (VRN 24040-51500B)	202	\$ 20,000.00	\$ 3,232.00	\$ 1,200.00	\$ 2,000.00
117582-ACC	ARPS, William David	Section 4 Lower Selwyn Huts (VRN 24040-51500E)	218	\$ 20,000.00	\$ 3,488.00	\$ 1,200.00	\$ 2,000.00
117618-ACC	MAIN, ROBERT JOHN; MAIN,	Section 5 Lower Selwyn Huts (24040-51500F)	215	\$ 20,000.00	\$ 3,440.00	\$ 1,200.00	\$ 2,000.00
117593-ACC	STRONG, John and Kathleen	Section 6 Lower Selwyn Huts (VRN 24040-51500G)	210	\$ 20,000.00	\$ 3,360.00	\$ 1,200.00	\$ 2,000.00
117605-ACC	O'Toole, Sya Mary and O'Toole,	Section 7 Lower Selwyn Huts (VRN 24040-51500H)	205	\$ 20,000.00	\$ 3,280.00	\$ 1,200.00	\$ 2,000.00
117607-ACC	Sykes, Trudy	Section 8 Lower Selwyn Huts (VRN 24040-51500I)	130	\$ 20,000.00	\$ 2,080.00	\$ 1,200.00	\$ 2,000.00
117620-ACC	Wylie, Judith Mary	Section 9 Lower Selwyn Huts (VRN 24040-51500J)	197	\$ 20,000.00	\$ 3,152.00	\$ 1,200.00	\$ 2,000.00
117621-ACC	Cain, Ann	Section 10 Lower Selwyn Huts (VRN 24040-51500K)	192	\$ 20,000.00	\$ 3,072.00	\$ 1,200.00	\$ 2,000.00
117612-ACC	J.A. Investment Trust	Section 35 Lower Selwyn Huts (VRN 24040-51500AG)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117633-ACC	Blake, Rana Elizabeth	Section 12 Lower Selwyn Huts (VRN 24040-51500AE)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117629-ACC	RYAN, Clare Winifred	Section 13 Lower Selwyn Huts (VRN 24040-51500W)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117608-ACC	Port, Brent Darcie	Section 14 Lower Selwyn Huts (VRN 24040-51500AD)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117595-ACC	Partridge, Daniel	Section 15 Lower Selwyn Huts (VRN 24040-51500X)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117586-ACC	NOLAN, SM	Section 16 Lower Selwyn Huts (VRN 24040-51500AC)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117603-ACC	Nicol, Sean and Thompson,	Section 17 Lower Selwyn Huts (VRN 24040-51500Y)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117614-ACC	NEIL, Robert Francis	Section 18 Lower Selwyn Huts (VRN 24040-51500AB)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117631-ACC	Hullen, Darryl Brent	Section 19 Lower Selwyn huts (VRN 24040-51500Z)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117638-ACC	Norman, Angela	Section 20 Lower Selwyn Huts (VRN 24040-51500AA)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117609-ACC	PERCY, Scott Alan	Section 22 Lower Selwyn Huts (VRN 24040-51500BA)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117600-ACC	Horne, Richard Edward	Section 23 Lower Selwyn Huts (VRN 24040-51500BB)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117599-ACC	Clutterbuck, David	Section 24 Lower Selwyn Huts (VRN 24040-51500BC)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117588-ACC	HAIMONA, Hoani Johnnie and HAIMONA, Pauley Anne	Section 25 Lower Selwyn Huts (VRN 24040-51500BD)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117616-ACC	SUTTON, DAEL and SUTTON,	Section 28 Lower Selwyn Huts (VRN 24040-51500AX)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117624-ACC	Flattery-Donohoe, John Kevin, Flattery-Donohoe, Whetu Reuben	Section 30 Lower Selwyn Huts (VRN 24040-51500AN)	210	\$ 20,000.00	\$ 3,360.00	\$ 1,200.00	\$ 2,000.00
117602-ACC	BURROWS, David James	Section 31 Lower Selwyn Huts (VRN 24040-51500AM)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117587-ACC	Goodey, Sara Catherine	Section 32 Lower Selwyn (VRN 24040-51500AL)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117632-ACC	HARKESS, Michael Ian	Section 33 Lower Selwyn huts (VRN 24040-51500AF)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117619-ACC	Main, Robert	Section 34 Lower Selwyn Huts (VRN 24040-51500U)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117637-ACC	Alsop, Donald George	Section 37 Lower Selwyn Huts (VRN 24040-51500AH)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117589-ACC	HEWSON, Colin Stuart Douglas	Section 39 Lower Selwyn Huts (VRN 24040-51500AI)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117584-ACC	MOORE, B M and MOORE, D M	Section 40 Lower Selwyn Huts (VRN 24040-51500R)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117610-ACC	SILCOCK, Glen	Section 42 Lower Selwyn huts (VRN 24040-51500M)	182	\$ 20,000.00	\$ 2,912.00	\$ 1,200.00	\$ 2,000.00
117581-ACC	Angelwings Ltd	Section 43 Lower Selwyn Huts (VRN 24040-51500N)	177	\$ 20,000.00	\$ 2,832.00	\$ 1,200.00	\$ 2,000.00
117636-ACC	Tweeddale, Michael David	Section 45 Lower Selwyn Huts (VRN 24040-51500Q)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117626-ACC	Sherwood, Ronald Desmond	Section 46 Lower Selwyn Huts (VRN 24040-51500P)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117617-ACC	KING, Stephen Charles	Section 47 Lower Selwyn Huts (VRN 24040-51500BE)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117627-ACC	Perry, Craig Martin	Section 48 Lower Selwyn Huts (VRN 24040-51500BF)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117583-ACC	YOUNG, Mark Norman	Section 49 Lower Selwyn Huts (VRN 24040-51500BG)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117594-ACC	KING, Brian Robert and KING, Glennis Anne	Section 50 Lower Selwyn Huts (VRN 24040-51500BH)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117622-ACC	HALLIDAY, Murray Leslie	Section 51 Lower Selwyn Huts (VRN 24040-51500AU)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117623-ACC	HALLIDAY, Murray Leslie	Section 52 Lower Selwyn Huts (VRN 24040-51500AT)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117613-ACC	Kumar, Jason Victor	Section 53 Lower Selwyn Huts (VRN 24040-51500AS)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117634-ACC	PERZYLO, Natalie Caroline	Section 54 Lower Selwyn Huts (VRN 24040-51500AR)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117615-ACC	DAWE, Clive Tindale	Section 56 Lower Selwyn Huts (VRN 24040-51500AJ)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117606-ACC	THOMAS, Sandra Elizabeth	Section 58 Lower Selwyn Huts (VRN 24040-51500AO)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117630-ACC	Goodey, Sophie Alice	Section 59 Lower Selwyn Huts (VRN 24040-51500AQ)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117592-ACC	Reaich, William John and Reaich,	Section 21 Lower Selwyn Huts	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117635-ACC	PERZYLO, Natalie Caroline	Section 55 Lower Selwyn Huts (VRN 24040-51500AP)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00
117585-ACC	Rattray, Dean Alan	Section 57 Lower Selwyn Huts (VRN 24040-51500AK)	162	\$ 20,000.00	\$ 2,592.00	\$ 1,200.00	\$ 2,000.00

## Kayla Mahon

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**From:** Ruth Isaac  
**Sent:** Monday, 18 August 2025 9:29 am  
**To:** Kirsty Cameron; Rebecca Worthington  
**Cc:** Siobhan Quayle; Kayla Mahon  
**Subject:** RE: Lower Selwyn Hutts Concession Activity Fees

Thanks for this. That's helpful and I can sign off with this info (it would have been good to include this in the memo, since you set out the options but didn't explain why you were recommending one of them....)

Ngā mihi  
Ruth

Ruth Isaac  
DDG Policy and Regulatory Services  
Department of Conservation  
Mobile s 9(2)(a)

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**From:** Kirsty Cameron <kcameron@doc.govt.nz>  
**Sent:** Wednesday, 13 August 2025 10:41 am  
**To:** Rebecca Worthington <rworthington@doc.govt.nz>  
**Cc:** Siobhan Quayle <squayle@doc.govt.nz>; Kayla Mahon <kmahon@doc.govt.nz>  
**Subject:** RE: Lower Selwyn Hutts Concession Activity Fees

Hi Bex,

In response to Ruth's question on the attachment:

The recommendation to apply an activity fee based on square metre (m<sup>2</sup>) rates, rather than 6% of land value, for hut/bach accommodation concessions is supported by the following considerations:

- **Minimum Fee Benchmark:** Since 2021, a consistent minimum fee of \$2,000 has been applied to private baches. While this figure is likely due for review to reflect inflation and market changes, it underscores that a fee based on 6% of land value (\$1,300 per annum) is likely undervalued and does not align with current expectations or market realities.
- **Use of m<sup>2</sup> Rates:** The m<sup>2</sup> rates outlined in the price book are the preferred method for setting fees where land value calculations may be over- or under-valued. These rates were established following a 2023 category review that specifically examined the market value of accommodation activities. They are consistent with fees applied in comparable areas and provide a more accurate reflection of market value.
- **Previous Fee Setting Practice:** Historically, fees have been set at 6.5% of an independently assessed land value. However, due to time constraints in the current process, a formal valuation has not been undertaken.

The decision to use 6% of land value as a benchmark reflects the absolute minimum fee that should be applied in the absence of a market-based assessment. This method offers a reasonable conditional value to discount the assessed market rate to, should an annual bond payment be made, and strikes a fair balance between affordability and value recognition.

Many thanks  
Kirsty

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**From:** Joanne Dixon <[jdixon@doc.govt.nz](mailto:jdixon@doc.govt.nz)>  
**Sent:** Tuesday, 12 August 2025 11:52 am  
**To:** Kirsty Cameron <[kcameron@doc.govt.nz](mailto:kcameron@doc.govt.nz)>  
**Cc:** Siobhan Quayle <[squayle@doc.govt.nz](mailto:squayle@doc.govt.nz)>; Kayla Mahon <[kmahon@doc.govt.nz](mailto:kmahon@doc.govt.nz)>  
**Subject:** Lower Selwyn Hutts Concession Activity Fees

Hi Kirsty,

Ruth has approved subject to your response on fee approach – comments scanned and attached. Can you share your response with Bex.

Thanks,  
Jo

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**From:** [noreply@doc.au.uniflowonline.com](mailto:noreply@doc.au.uniflowonline.com) <[noreply@doc.au.uniflowonline.com](mailto:noreply@doc.au.uniflowonline.com)>  
**Sent:** Tuesday, 12 August 2025 11:38 am  
**To:** Joanne Dixon <[jdixon@doc.govt.nz](mailto:jdixon@doc.govt.nz)>  
**Subject:** uniFLOW Online: Scan - Joanne Dixon 2025-08-12 11:35



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s 9(2)(a)

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