

DOC's Visitor Network is facing challenges

DOC administers a large network of visitor assets and provides for a wide range of experiences. But use of the network is uneven – both geographically and in terms of activities or experiences it supports. A small number of places are experiencing negative consequences of high visitor numbers, while other areas and assets are significantly underutilised.

The costs of maintaining the current network are unsustainable and DOC needs to ensure it is funding the right types of experiences in the right places to support delivery of the long-term Outcomes.



Visitor looking over Koropiro Heritage Park 2017, Moody, A and O'Brien, R. CC-BY. DOC, Crown Copyright.

The **key challenges** that DOC's Visitor Network are currently facing are:

1. **The Network is unaffordable:** DOC's Visitor Network is extensive but maintaining it is unaffordable, and costs are likely to increase.
2. **Parts of the Network are at risk:** There are parts of the network that are exposed to weather and climate change impacts, and this will have ongoing risk and cost implications.
3. **Demand for certain experiences is not aligned with supply:** The network doesn't currently align to visitor demand meaning some assets are underutilised, while others are oversubscribed.
4. **The network is geographically unbalanced to where New Zealanders live and visit:** This adds to the uneven use of assets across the network.
5. **The New Zealand population is changing:** DOC's network is geared towards the New Zealand population of the past and will need to adapt to changes.

The Network is unaffordable

DOC administers NZ's largest network of visitor assets (see page 5) which facilitate an extensive range of experiences for visitors. The experiences range from local short walks to Great Walks that attract thousands of international visitors per year.

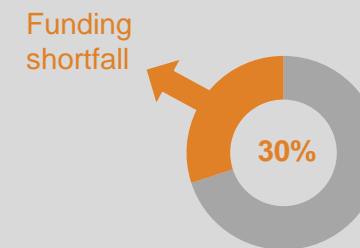
Many visitor assets are in remote and hard-to-reach locations in challenging environments. In some cases, this means servicing these facilities must be done by helicopter, and there are high costs associated with that, including the environmental impact of associated carbon emissions.

Other experiences are easier to access, and some are visited by large numbers of people meaning they must be maintained to a high level to appropriately manage visitor safety. It's also important that appropriate measures are taken to protect and conserve te taiao (natural environment) in all areas and to provide positive experiences.

These factors mean that the cost to maintain DOC's Visitor Network is significant and it is currently beyond DOC's budget. In October 2023, DOC estimated that it only had 70% of the operating expenditure (OPEX) required to maintain the Network.

Rising inflation and increasing costs are pushing up replacement and repair costs meaning more of the Network is at risk of inadequate maintenance as time goes on. This can result in higher risks to visitors and can negatively impact the experience that visitors have in the outdoors.

DOC estimates that it only has sufficient funds to cover OPEX for 70% of the current network.¹



These figures are estimates as of October 2023 and are likely to change over time.

¹ Kerr, S. (2023) Current State Assessment and Initial Product Architecture. DOC.

Parts of the Network are at risk

Some of DOC's Visitor Network assets and infrastructure are exposed to high impact risks like flooding, sea level rise, tsunamis, earthquakes, landslides and more.

There are huge costs and significant safety implications - both for visitors and DOC staff - associated with maintaining or rebuilding assets at sites that have experienced a weather event or are deemed to be high risk. Each situation will need to be considered on a case-by-case basis.

New Zealand's highest mountains may lose glaciers and permafrost; this could mean losing foot access to Fox and Franz Josef glaciers. Visitor assets are also at risk from pests due to climate change. Additionally, some coastal tracks and campsites may experience frequent damage.¹

Hundreds of DOC coastal sites and assets are at risk of coastal flooding or sea-level rise. These include:²

- 331 DOC assets
- 119 recreation locations
- 420 archaeological sites

¹ Bose, D and Adlam, R. (2022) Producing high-level future scenarios for Heritage and Visitors. DOC.

² Tait, A. (2019) Risk-exposure assessment of Department of Conservation (DOC) coastal locations to flooding from the sea. *Science for Conservation* 338

A case study of the impacts of weather events on DOC's Visitor Network

North Island Weather Events 2023³ (including Cyclone Gabrielle)

From January-February 2023, there were a series of significant weather events that affected the North Island. This included Cyclone Gabrielle.

DOC's estimates of the impact of these events are:

- **41% of sites in affected regions** will require repairs and/or full asset replacements. Assets affected included buildings, tracks, boardwalks, carparks, and signage.
- **\$5 million***: estimated value loss of destroyed facilities.

A month-long state of emergency associated with the events resulted in about 7,000 visitors cancelling plans to visit DOC experiences. This has flow-on effects through the local districts' economies:

- **\$3 million**: estimated loss in regional tourism
- **\$28 to \$69 million**: estimated loss in revenue experienced by DOC's concessionaires in the affected districts.

* Asset value losses are write-offs from the net book value (NBV). As many damaged assets are old these losses understate the support they have been providing to the regional economies.

³ Bose, D and Becken, S (2024) Tourism-related economic loss and damage from the North Island weather events on New Zealand conservation land and waters. *Journal of Outdoor Recreation and Tourism* 46.

Demand for certain experiences is not aligned to supply

DOC's network provides for a range of experiences – from remote backcountry tramps and alpine experiences to accessible short walks and scenic and recreation spaces.

Short walks and leisure activities are the most popular outdoor activities. Most New Zealanders engage in these activities somewhere in the outdoors (from local neighbourhoods to further afield) each year.⁴ Demand for short walks is high, with around 39% of New Zealanders choosing to do one in a protected natural area each month. In addition, close to half of international visitors undertake a short walk while in New Zealand.

Participation in short walks



39% of New Zealanders undertake a short walk in a protected natural area on average per month.⁵



46% of international visitors undertake a short walk while in New Zealand.⁶

⁴ New Zealanders in the Outdoors: domestic customer segmentation research. Department of Conservation, 2020

⁵ DOC Public Pulse of Conservation, June 2021 – January 2024

⁶ MBIE (July to March 2023) International Visitor Survey.

The network is currently weighted to back-country and multi-day tramping experiences which does not align with visitor demand and use (although some of these are highly valued by a small number of people). This means some assets (especially some remote backcountry huts) are underutilised, while others are oversubscribed.

Both scenarios provide challenges. Where experiences are oversubscribed, this can result in environmental impacts, declining social licence, waste disposal needs and other concerns. More work is needed to understand options for managing demand at these popular places, including options for dispersal to nearby experiences and encouraging visitors to give back to the places and communities they visit.

The issues are different where experiences are underutilised. In some cases, the costs of maintaining these assets is high and continued provision should be reviewed (in relation to the value they provide).

Huts and other recreation facilities have lifespans of around 30 years, and this means the distribution of recreation resources cannot change quickly. Decisions need to be made now to get the needed change into motion.

Summarising the challenges

In summary, the challenges that DOC is facing are:

- The Visitor Network is extensive and parts of it are vulnerable to climate change and weather impacts. This presents safety risks and also results in high maintenance and repair costs.
- DOC offers a large range of experiences, with short walks and leisure activities being the most popular among both New Zealanders and international visitors. Both visitor groups are growing which is likely to result in higher numbers participating in these experiences than ever before. However, DOC does not currently have enough information to understand the total supply of these kinds of activities (including from other providers, such as local councils).

- DOC's Visitor Network has traditionally been focused on more remote activities in the outdoors. Fewer New Zealanders are venturing to these locations now and this is resulting in some experiences being oversupplied compared to demand (i.e., overnight tramping). Given cost pressures, it is not feasible to continue to maintain underutilised assets in difficult-to-reach locations.
- Adding to this situation, the New Zealand population is clustered around urban areas and weighted to the North Island. New Zealanders tend to do more outdoor experiences close to home. The current distribution of visitor experiences doesn't align with this population profile.
- On the other hand, some iconic locations on public conservation land, such as Milford Sound, are becoming increasingly popular (especially among international visitors) and this is resulting in negative impacts on the environment and local communities.
- DOC has not yet undertaken an assessment to understand supply of experiences compared to demand, with a focus on where New Zealanders live and visit and considering popular destinations among international visitors.
- The New Zealand population is aging and becoming more ethnically diverse. This may result in different considerations when designing both the Visitor Network and experiences.
- There are various engaged groups of volunteers and avid trampers and hunters who want to support DOC to maintain the back-country network. DOC needs to develop better ways of working with these groups to ensure their support of the network is sustainable for both them and DOC.



Visitors and campervans at Lake Rotoiti, Nelson Lakes.
Honey, L. CC-BY. DOC, Crown Copyright.

Visitor Network Challenges

We manage New Zealand's largest visitor asset network, covering around a third of the country. This network plays a central role in how New Zealanders and international visitors experience nature. However, we are facing growing challenges that are placing sustained pressure on our ability to manage the network effectively and affordably.

Our visitor network is extensive and ageing. We are responsible for more than 14,500 kilometres of tracks, 946 huts, 326 campsites, 521 amenity areas, 50 heritage icons, 45 sole-occupancy facilities and 12 Tohu Whenua heritage sites. Much of this infrastructure was built decades ago and has changed little over the past 30 years, despite significant changes in how people use and value outdoor recreation.

Maintaining this network is becoming increasingly unaffordable. The cost of maintaining visitor assets to required safety, building and regulatory standards is rising faster than our available budgets. Construction costs continue to increase, and higher compliance requirements mean it is more expensive to repair and replace assets than it was when many of them were originally built. We currently have funding for only around 70 percent of what it annually costs to maintain the visitor network at its existing standard.

Our appropriation from the government is about \$250million to run the visitor network. In addition to the increasing costs of maintenance and repair, DOC's ability to recover costs from users is limited due to the constraints of the Conservation Act. For example, DOC has thousands of kilometres of tracks for which we cannot recover costs. We can only charge for facilities (such as huts and campsites), which brings in only 10 – 15% of the total cost of the visitor network.

The age of our assets adds further pressure. Many huts and recreation facilities have an expected lifespan of around 30 years. As assets age, maintenance requirements increase and renewal becomes unavoidable.

Climate change is intensifying these pressures. More frequent and severe weather events are damaging tracks, huts, bridges and other infrastructure, particularly in exposed and remote locations. Repairs are often urgent and costly, diverting resources from planned work and increasing long-term risk across the network.

We are also facing a clear mismatch between visitor demand and what our network currently provides. Short walks of under three hours are the most popular outdoor activity. Around 39 percent of New Zealanders undertake short walks each month, and close to half of international visitors do a short walk while in New Zealand. Despite this, a large proportion of our infrastructure is geared towards long day hikes and multi-day backcountry experiences.

This mismatch leads to uneven use of our assets. Short walks and scenic sites near towns and cities are often heavily used, while many remote huts and tracks are underutilised but

still require ongoing maintenance. High use in popular locations can place pressure on the environment and visitor experience, while underused assets continue to draw on limited funding.

There is also a geographic imbalance in our visitor network. Many experiences are located far from major population centres, even though most people prefer outdoor activities close to where they live or stay, typically within a three-hour drive. As New Zealand's population becomes increasingly urban, demand is strongest for accessible experiences near cities and towns.

New Zealand's population is also changing. Our visitor network was largely designed around the preferences and lifestyles of previous generations and does not always reflect the expectations of a more diverse population or modern patterns of recreation. People increasingly value shorter, more accessible experiences that fit into busy lives.

These challenges are occurring alongside strong and ongoing demand. More than 80 percent of New Zealanders and over 50 percent of international visitors visit protected natural areas each year. Over time, we have retained and expanded assets to meet demand, but funding has not kept pace, embedding long-term pressure into the system.

Taken together, rising costs, ageing infrastructure, climate impacts, mismatched demand mean our visitor network is under sustained strain. While the network remains highly valued, these challenges make it increasingly difficult for us to manage it in a way that is safe, affordable and sustainable across the country.