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Kia ora

Feedback on Piloting Paid Parking at Dolomite Point and Franz Josef

Tourism Industry Aotearoa welcomes the opportunity to submit on the Department of Conservation's pilot for paid parking at Dolomite Point, Franz Josef and we understand at White Horse Hill in Aoraki Mount Cook. The feedback TIA wishes to convey is common to each, so one overall submission is provided.

TIA is the peak body for the tourism industry in Aotearoa New Zealand, with around 1,200 tourism businesses as its members. This membership covers a range of tourism-related activities including hospitality, accommodation, adventure activities, attractions, retail, airports and airlines, transport, as well as related-tourism services.

TIA works with DOC across many workstreams, and we value the role the Department plays in the tourism industry in enabling visitation to Aotearoa New Zealand's special places and for providing concessions for tourism businesses to operate on conservation lands and waters.

TIA provided a comprehensive submission on DOC's consultation on conservation land management and exploring charging for access to some public conservation lands. On the matter of charging for access, TIA submitted that when considering access charging (or other charging) the total cumulative cost incurred by visitors across the funding environment must be considered before any new charges are established. TIA highlighted the risk of visitors essentially paying via multiple channels, including having paid:

- The \$100 International Visitor Conservation and Tourism Levy (IVL)
- A concessionaire for an activity or experience; or
- Other user charges such as hut, camping or Great Walk fees.

On the matter of access charging, TIA recommended:

DOC to prepare proposed revenue plans for the selected places or sites being considered for an access charge, looking at the mix of revenue sources, visitor types and investment needs and other relevant criteria, and these could well be the potential sites identified in the consultation document.

While a charge for a service is different to an access charge, the principle of equity for visitors is a central consideration and we recommend this is factored into the paid parking pilots.

TIA Feedback

In principle, TIA is comfortable that DOC pilot a modest charge for services provided, such as car parking, but how this is done must be equitable for visitors. Areas of consideration for TIA are:

1. **Commercial arrangements with concessionaires**. Concessionaires cannot be expected to pay for parking on top of their existing concession fee.

A concession allows a service provider to operate on an agreed set of terms. Any additional charge risks charging the concessionaire twice for the same right to operate and by imposing a new cost that the concessionaire cannot easily pass on to their clients. The way the tourism distribution system works is that operators sell an itinerary to their clients or to intermediaries such as travel agents or inbound operators well ahead of the travel. This requires prices to be set often years ahead of time. New charges, such as for parking, cannot be easily recovered from clients. Given that an itinerary may involve multiple parking charges, this can add up.

TIA Recommendation: Exclude tourism concessionaires from the paid carparking requirement where parking and access is part of the concession they hold.

2. **The IVL is important**. All DOC charging initiatives must be considered in the context of the IVL where international visitors are paying \$100 for '*facilities and the natural environment they use.*' When visitors pay the IVL, the documentation states:

"The number of visitors coming to New Zealand has grown strongly over the past few years and growth is expected to continue. The IVL is your contribution to maintaining the facilities and natural environment you will use and enjoy during your stay".

The Government has set out how the IVL will be used. For DOC, this is \$55m new spending for conservation, and there is a further amount estimated to be around \$40m for DOC to replace existing Crown funding.¹ This amounts to around \$95m per annum for DOC from the IVL. International visitors (excluding Australia and some Pacific countries) are contributing significantly to the operations of DOC.

Accordingly, most international visitors have paid for facilities that they use, such as car parks. This must be factored into consideration of any new charge.

TIA Recommendation: DOC to undertake analysis on the demand for the proposed paid parking pilots to determine the expected usage by those visitors who have already paid the IVL.

3. **Nature of the pilot**. How the pilot will be undertaken is not clear. For instance, the level of the parking fee, how different durations of parking will be managed (such as people doing multi-day activities), how the expectations of service from paying parkers will be met, how infringements will be set and managed, and how and where revenue from the trial will be utilised.

On these points, for the pilot, we consider that the price level should be at the cost of the delivery of the pilot and not higher, infringement fines should not be applied through the pilot and cost recovery revenue gained must be reinvested in the service provided at that place to ensure visitors (and future visitors) benefit from the parking fee. We also consider that there will need to be robust and clear communications to notify visitors and the tourism industry of the pilot and why it is being undertaken, and a clear report following the pilot that shows the impact on safety, experience, demand, cost recovery income, and the supporting community.

TIA Recommendation. DOC to set out the details of the pilot programme and seek stakeholder feedback on the proposed approach. That any charge is set based on cost recovery only.

Overall, our substantive concern is around the cumulative costs our international visitors face across multiple charging points.

¹ Budget 2025/26 documents forecasts \$190m IVL revenue to be used as follow: 1) \$90m new spending \$35 for tourism and \$55 for conservation); 2) \$4.8m administration costs; 3) \$95.2m to replace existing Crown funding for cycle trails, Tourism New Zealand and DOC.

Tourism is an internationally competitive industry, and Aotearoa New Zealand must remain attractive to people considering our country as a place to visit. Adding cost to visitation to and within our country is something that we must take great care with and with cognisance of the overall charges that visitors are required to pay.

Accordingly, and as set out in our earlier submission, we submit that any initiative to charge for either access or a service must be supported by a revenue plan for that place, looking at its revenue opportunities, visitor types and origins, investment needs and how and where revenue will be spent.

We would be very happy to engage with you on the points we raise in this submission. If so, please contact Bruce Bassett on 021 609 674 or bruce.bassett@tia.org.nz.

Ngā mihi,

Rebecca Ingram Chief Executive