

Submission on “Proposed Changes to the International Visitor Conservation and Tourism Levy: Discussion Document”

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SUBMITTER DETAILS

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Introduction

1. Thank you for the opportunity to make a submission on the Ministry of Business, Innovation and Employment’s (**MBIE**) Discussion Document on Proposed Changes to the International Visitor Conservation and Tourism Levy (**IVL**) May 2024 (the **Discussion Document**).
2. EDS is a not-for-profit, non-governmental national environmental organisation. It was established in 1971 with the objective of bringing together the disciplines of law, science, and planning to promote better environmental outcomes and protect our nation’s distinctive indigenous biodiversity and natural landscapes.
3. EDS has been significantly involved in advocating for improved conservation outcomes, enhanced visitor management and sustainable tourism. It has produced several publications in this area, most notably “*Conserving Nature: conservation reform issues paper*”;¹ “*EDS Independent Review of the Conservation Management Planning System*”;² “*Caring for Landscapes of Aotearoa New Zealand: synthesis report*”³ and “*Tourism and Landscape Protection*”.⁴
4. Each identified the need to secure a more solid funding base for conservation, and at the tourism-conservation interface, in order to better manage visitor impacts and protect our special places and species; to better maintain and develop premium visitor destinations and infrastructure; and to better support the Department of Conservation’s (**DOC**) concessions system which underpins much of the tourism industry.

¹ Koolen-Bourke D and R Peart (2021) *Conserving Nature: conservation reform issues paper*, Environmental Defence Society, Auckland

² Koolen-Bourke et al (2023) *Independent Review of the Conservation Management Planning System*, Environmental Defence Society, Auckland

³ Peart R et al (2021) *Caring for Landscapes of Aotearoa New Zealand: synthesis report*, Environmental Defence Society, Auckland

⁴ Peart R and C Woodhouse (2020) *Tourism and Landscape Protection*, Environmental Defence Society, Auckland

Sufficiency of current levels of IVL revenue and its contribution to tourism and conservation costs (Questions 1 – 3 of the Discussion Document)

5. A thriving conservation estate is crucial to tourism and to local communities. The most recent international visitor survey (5 March 2024) highlights that the top factor influencing decisions to visit our shores is our unique “landscapes and scenery”.⁵ The top activity engaged in is hiking and tramping and at least 50% visit a national park.
6. DOC is responsible for managing more than one third of Aotearoa New Zealand’s land area, including 13 national parks, 15,500 heritage sites, 15,000 kilometres of tracks, 970 huts and over 13,000 supporting structures, including 2,170 visitor buildings.⁶ The annual cost to DOC of managing this substantial portfolio of visitor facilities is around \$150 million a year.⁷ When Jobs for Nature funding and programmes conclude in June 2024, the Department faces an alarming 21% drop in funding.⁸ Budget shortfalls are now such that the book value of deferred renewal of DOC’s visitor assets in 2023 was some \$300 million.⁹
7. EDS agrees that the IVL should continue to fund the costs of tourism and that the revenue (approximately \$80 million) is not sufficient to ensure international visitors fairly contribute to the upkeep of the conservation estate and the cost of managing the pressures and impacts tourists have on local facilities, infrastructure and the environment. It is also important, from an equity standpoint, to remove some of the burden of these costs from ratepayers.

Increasing the IVL (Questions 4 – 6 of the Discussion Document)

8. EDS supports increasing the IVL to \$100 per person, an amount at the highest end of options proposed in the Discussion Document (Option Three: IVL is increased by \$65 to \$100).
9. We note from the Discussion Document that the Government considers an increase is unlikely to impact the volume of visitors significantly. However, a substantial increase is required to ensure existing DOC assets and infrastructure are repaired and maintained at an appropriate standard. It is also needed to help address the backlog of deferred work and conservation funding gap left by the withdrawal of Jobs for Nature funding. Increased resource in this area is crucial from a health and safety perspective, and to ensure quality visitor experiences.
10. A 2019 national impact report prepared for DOC identified 331 DOC assets and 420 archeological sites on public conservation land that sit within a potential inundation zone.¹⁰ A further 119 “recreation functional locations” and 62 “destinations” contain at least one potentially vulnerable asset, and 260 ecosystem management units and 99 species management units are in the coastal inundation zone. The report emphasised that DOC requires significantly more resource and capacity to manage these assets. Increased damage as a result of flooding, storm, fire events and coastal erosion mean the cost of repairs is increasing annually.¹¹

⁵ <https://www.mbie.govt.nz/immigration-and-tourism/tourism-research-and-data/tourism-data-releases/international-visitor-survey-ivs>

⁶ Department of Conservation (2021) *Heritage and visitor strategy, He haerenga ki to rautaki taonga tuku iho, manuhiri tūārangī hoki*, Department of Conservation, Wellington, 17 and 28

⁷ Department of Conservation (2021) *Heritage and visitor strategy, He haerenga ki to rautaki taonga tuku iho, manuhiri tūārangī hoki*, Department of Conservation, Wellington, 28

⁸ Department of Conservation (2023) *Briefing to the incoming Minister of Conservation*, Appendix 9

⁹ Williams D, 2023, ‘Crisis-hit Conservation Dept considers closures, offloads’, *Newsroom*, 2 May

¹⁰ Tait A, 2019, ‘Risk-exposure assessment of Department of Conservation coastal locations to flooding from the sea: A national risk assessment of DOC assets, archeological sites, recreational functional locations, and ecosystem and species management units vulnerable to coastal inundation and sea-level rise’, *Science for Conservation*, 332

¹¹ Department of Conservation (2023) *Briefing to the incoming Minister of Conservation*, 12

11. Changing climate conditions are already affecting tourism distribution patterns raising a raft of tourism management issues. Visitor needs and experience of iconic alpine destinations are changing with rapid glacial recession and adaptive strategies will be necessary to manage associated access and safety concerns.¹² Indigenous ecosystems and species will also come under increasing pressure from storm events, weather fluctuations and changes to introduced species populations and ranges. Many sites, species and habitats will likely require increased monitoring, management and protection.
12. Taking a longer view, increased investment is necessary to futureproof the tourism sector; which is now our second-biggest export earner generating nearly \$10.8 billion in export earnings annually; and to build the resilience of the conservation estate so that it is more prepared to meet the challenges ahead. The IVL remains the most significant funding tool available, outside Vote Conservation, to support this work.

Key areas when revenue from the IVL should be directed (Questions 7 - 8 of the Discussion Document)

13. The Discussion Document identifies that the projected 2024 adjusted sum of unfunded costs associated with international visitors comprise around \$118 million of DOC's expenditure. It is essential that a significant proportion, at least half, of the IVL continues to be apportioned to DOC and contributes to filling that shortfall. EDS considers the following areas should be prioritised for funding purposes:
 - a. *To address visitor pressure on the public conservation estate.* The environmental impacts of tourism are well documented.¹³ EDS supports funding for destination management planning and better data and insights, not just of visitor impacts on conservation land, but to better understand carrying capacity at place. This would help inform decision-making and planning within the conservation management planning system (including on concessions), and the application of more strategic pricing decisions by DOC. As noted above, EDS also supports use of the IVL towards the maintenance costs of existing DOC assets and infrastructure.
 - b. *Support investment into 'club goods' for tourism and conservation.* EDS supports use of the IVL to help deliver key shifts in conservation in three core arena. First, to support the implementation of DOC's Climate Change Adaptation Action Plan and the actions it identifies.¹⁴ Second, investment in sustained control of introduced herbivores. It has been estimated that this could deliver significant carbon sequestration gains of between 8.4 and 17.5 million tonnes per year.¹⁵ That would help offset the estimated 12.5 million tonnes of emissions from the tourism industry per year.¹⁶ Thirdly, to monitor and ensure compliance in DOC's concessions system.

¹² Purdie H et al (2020) 'Implications of a changing alpine environment for geotourism: A case study from Aoraki Mount Cook, New Zealand', *Journal of Outdoor Recreation and Tourism* 29, 100235

¹³ Parliamentary Commissioner for the Environment (2021) *Not 100% but four steps closer to sustainable tourism*, Parliamentary Commissioner for the Environment, Wellington

¹⁴ Christie J et al (2020) *Department of Conservation Climate Change Adaptation Action Plan 2020/21 – 2024/25*, Department of Conservation, Wellington

¹⁵ Hackwell K and M Robinson (2021) *Protecting our natural ecosystems carbon sinks*, Forest and Bird, Wellington

¹⁶ Parliamentary Commissioner for the Environment, 2019, *Pristine, popular... imperilled? The environmental consequences of projected tourism growth*, Parliamentary Commissioner for the Environment, Wellington, 109

DOC is responsible for processing, monitoring and enforcing more than 4,000 permissions and concessions which support a vast array of tourism activities and attractions, including ski fields, guiding businesses and aircraft landings. More than 1000 commercial tourism ventures operate on public conservation land and waters.¹⁷ Concessions fees cover less than a third of the estimated cost to process applications¹⁸ and only 3 percent of DOC's budget is derived from concessions.¹⁹ This leaves a significant budgetary shortfall. It also contributes to delays in processing applications and impairs DOC's resource and capacity to monitor impacts and check compliance.²⁰ At present seventy percent of DOCs national compliance is funded by the IVL, however this is due to expire in June 2024.²¹ It is important this income stream is renewed and retained.

Investment in these three areas will deliver multiple returns: to indigenous biodiversity; towards meeting our international biodiversity and climate change commitments; and to supporting enhanced visitor experiences and visitor safety.

- c. *Support ongoing and future Crown investment into conservation functions.* We are in the midst of an unprecedented biodiversity crisis with one of the highest proportions of threatened species in the world. Around 4,000 indigenous species are currently threatened or at risk of extinction and 5,000 more are so "data deficient" that we do not have enough information to know if they are in trouble or not.²² Funding for biodiversity and habitat protection is essential, including more comprehensive monitoring, threat management and threatened species recovery planning. EDS supports deployment of the IVL across all these arena, as well as greater prioritisation and funding for restoration initiatives.

Conclusion

14. In summary, EDS concurs that the current level of IVL revenue is insufficient to address the issues facing tourism and conservation and should be increased. EDS supports an increase at the highest option canvassed in the Discussion Document, to a figure of \$100 (Option Three).
15. The IVL should be utilised to address visitor impacts and pressures on the conservation estate, help deliver key shifts (such as climate change adaptation), support DOC's maintenance and monitoring of visitor assets and the concessions system, and invest in biodiversity protection and increased restoration work. Investment across these areas will deliver gains for both the tourism sector and conservation system on which it heavily relies.

¹⁷ Department of Conservation (2023) *Briefing to the incoming Minister of Conservation*, Appendix 10

¹⁸ Department of Conservation (2022) Regulatory Impact Statement: targeted amendments to concessions system, 68 (11 November 2022)

¹⁹ <https://www.doc.govt.nz/news/issues/budget-2024-overview/>

²⁰ Department of Conservation (2022) Regulatory Impact Statement: targeted amendments to concessions system, 68 (11 November 2022)

²¹ Department of Conservation (2023) *Briefing to the incoming Minister of Conservation*, Appendix 9

²² Department of Conservation (2020) *Te Mana o Te Taiao - Aotearoa New Zealand Biodiversity Strategy 2020*, 18