



# Concession revenue context

## Concession revenue as a proportion of DOC revenue

Average annual revenue<sup>1</sup> **\$404.6m**

Concession Revenue as a proportion of average annual revenue **5.9%**

Direct and indirect % revenue as a proportion of average annual revenue **3.2%**

DOC's annual revenue is made up of Crown Revenue and Other Revenue. Crown Revenue is based on the Department's funding entitlement. Other Revenue is mainly donations and sponsorships, and recreational and tourism charges.

## Revenue Breakdown - Percentage Revenue Framework (PRF) vs other fee types<sup>1</sup>

Concession Activity	PRF fees		Other fee types	%	Total
	Direct <sup>2</sup>	Indirect <sup>3</sup>			
 Guiding	\$4.0m	\$0.9m			\$4.9m
 Tourism Occupations <i>Accommodation, Attractions, Retail</i>	\$1.3m		\$3.6m		\$4.9m
 Aircraft Landing		\$3.6m			\$3.6m
 Telecommunications			\$1.8m		\$1.8m
 Grazing			\$1.7m		\$1.7m
 Ski Areas	\$1.6m				\$1.6m
 Other Occupations <i>Beehives, Hydro</i>	\$0.2m		\$1.2m		\$1.4m
 Boating	\$1.1m	\$0.1m			\$1.2m
 Residential/Recreational <i>Private &amp; Staff Accommodation, Ski Clubs, Youth Hostels</i>	\$0.1m		\$1.0m		\$1.0m
 Vehicle Transport			\$0.5m		\$0.5m
 Easements			\$0.5m		\$0.5m
Miscellaneous, Extractions, Filming, Sporting/Special events		\$0.1m	\$0.6m		\$0.2m
<b>Total</b>	<b>\$8.3m</b>	<b>\$4.7m</b>	<b>\$10.9m</b>		<b>\$23.9m</b>

1. The figures in the tables are a 3-year average of financial years 2017-2019.

2. Direct - refers to revenue generated from fees determined by directly applying the PRF to the concessionaire's Gross Revenue.

3. Indirect - refers to revenue generated from fixed and per person fees where the PRF has informed the setting of these fees. The purpose of this is to align fixed or per person fees with fees directly determined using the PRF.

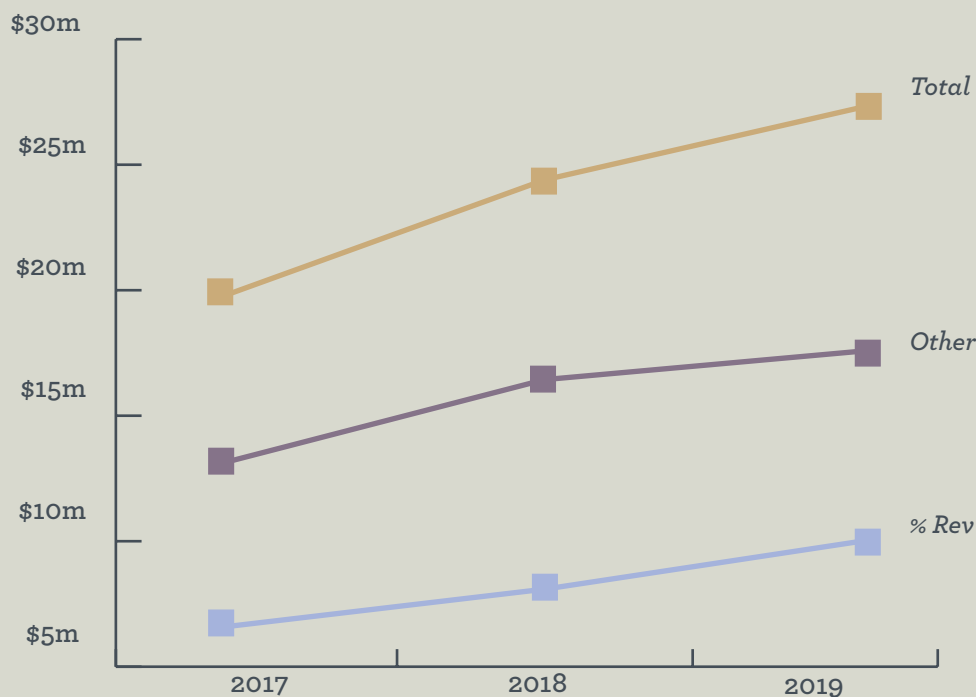


## Percentage Revenue and other fee types\*

**Change in concession revenue over time**

The Department's total concession revenue grew from \$19.9m in 2017 to \$27.3m in 2019, an increase of 37%. The proportion of % Revenue earnings increased from 34% in 2017 to 36% in 2019.

With uncertainty in the COVID environment for tourism concession operators, it is difficult to anticipate future concession revenue. The Department has waived tourism concession fees in FY 2020-2021 and fees will begin to be paid again in July 2021.

**Concession fee revenue from 2017 to 2019, by fee type**

\* The figures in the table are a 3-year average of financial years 2017-2019.

**The Framework**

- » generates market-based royalty or rental for the use of Public Conservation Land.
- » used for high revenue generating activities and services such as accommodation, retail, tourism activities, ski fields and hydro power.

**Revenue varies based on**

- » visitor numbers or business revenue volume.
- » market conditions and other external factors (e.g. the weather).

**Other fee types**

Other fee types include per person and fixed fees. Some of these fees are set using the Framework.

*Per person fees*

- » lower revenue generating tourism activities, beehives (per hive), filming, and sporting and events.
- » high value activities such as aircraft landings and cruise passengers.

*Fixed Fees*

- » residential/recreational activities, easements and grazing (usually based on land value).
- » extractions (fee by volume).
- » telecommunications and vehicle transport.