

Reference: 70749-SKI, 88877-AIR and 88876-GUI

2 December 2020

Cardrona Alpine Resort Limited and TCIL Limited
fblack@realjourneys.co.nz

For the attention of: Fiona Black

Dear Fiona

CONCESSION APPLICATION – TREBLE CONE SKIFIELD AND ACCESS ROAD (70749-SKI, 88877-AIR, 88876-GUI) ACKNOWLEDGEMENT LETTER

Thank you for your concession applications received on 31 July 2020. Your application numbers are:

70749-SKI – Application for a 30 year Lease, Licence and Easement for the operation of Treble Cone Ski Field and the Treble Cone Access Road

88877-AIR – Application for a 10 year aircraft landings permit at Treble Cone Ski Field

88876-GUI – Application for a 10 year guiding permit at Treble Cone Ski Field

Please quote these numbers in any communications related to your applications.

I am Rory McLean, a Permissions Advisor from the Ōtepoti/Dunedin Office. I will be your main point of contact for anything related to the processing of your application. My contact details are as follows:
027 263 2688;
rmclean@doc.govt.nz.

Your application **70749-SKI** has been classified as a Concession Lease, Licence and Easement, and will be processed on a Publicly notified basis. Information about this process can be found on the Department of Conservation's website (www.doc.govt.nz/get-involved/apply-for-permits/apply-for-a-permit/).

Your applications **88877-AIR** and **88876-GUI** have been classified as Concession Permits, and given the aircraft and guiding activities requested are closely linked to the operation of Treble Cone Ski Field as a whole, we consider it is appropriate to process the aircraft and guiding applications on a Publicly notified basis at the same time as the **70749-SKI** Lease, Licence and Easement application.

This letter is to provide you with an estimate of the costs that are likely to be incurred in the processing of your application, along with a request for further information.

The cost of processing a concession depends on whether the application needs to be publicly notified or not and whether the application is standard or is complex. Please note this estimate does not include any annual costs that will be described in your concession if granted.

Estimated Processing Costs

As agreed by you in the application form, the Department recovers all costs to process a concession application from applicants regardless of whether the application is approved or declined. The Department charges on an hourly rate for staff time taken to process your application. The processing of this application is anticipated to exceed the standard base fee and is estimated to be **\$34,350.00 + notification costs +**

GST. Please refer to the table attached that forms the basis of this estimate. Should there be any further costs anticipated over and above this I will inform you in advance as soon as they become apparent.

Further Information

Having undertaken an initial assessment of your application, the information and amendments to the existing application outlined in **Appendix One** of this document must be provided by **20 January 2021**. This information is required in order for the public to understand the application when it is publicly notified (excluding point 16 in Appendix One).

If this information is not received by this date, then I will continue to process your application. This may result in part or all of your application being declined due to insufficient information. If you require further time to provide this information, please contact me immediately. There is the potential to negotiate a mutually acceptable timeframe if there is good justification to do so, especially considering the requirement for summer surveys to inform the ecological assessment.

Withdrawing your application

If you choose, at any time, to withdraw your application you will be invoiced for any processing costs incurred by the Department up to that point.

Please contact me if you have any questions about this letter or the application process.

Yours sincerely



Rory McLean
Permissions Advisor
Ōtepoti / Dunedin Office

Cost Estimate

This table provides the basis of the estimated costs associated with processing your application as the anticipated costs exceed the standard base fee. Should there be any further costs anticipated over and above the standard estimate I will inform you in advance as soon as they become apparent.

Overview	Description	No of Hours	Cost per Hour	Fee (Excluding GST)
Application Process				
Pre-application (when more than 4 hours required)	<ul style="list-style-type: none"> Discussion with either District Office or Permissions staff 	0.00	\$130.00	\$0.00
Statutory Processing Team	<ul style="list-style-type: none"> Capturing, summarising and disseminating application 	8.00	\$130.00	\$1,040.00
Dunedin Service Centre Time	<ul style="list-style-type: none"> Review of application Meetings Correspondence with applicant Correspondence with District Office/other staff Review of CMS and other Legal Documentation Report Writing Preparing documentation for public notification Preparation of contract / maps 	58.00	\$130.00	\$7,540.00
District Office (Ranger) Time	<ul style="list-style-type: none"> Meetings Comments on application Site visit if necessary Treaty Partner consultation 	58.00	\$130.00	\$7,540.00
Legal	<ul style="list-style-type: none"> Meetings Drafting correspondence/legal advice 	20.00	\$185.00	\$3,700.00

Overview	Description	No of Hours	Cost per Hour	Fee (Excluding GST)
Application Process				
Other Staff Time	<ul style="list-style-type: none"> Science & Technical GIS Management Planning Fee advice 	53.00	\$130.00	\$6,890.00
Managers' time (including Operations, SLM/Permissions, Business Support, Statutory Manager)	<ul style="list-style-type: none"> Meetings Preparation of advice Collation of District information Consultation with conservation board Decision making 	37.00	\$140.00	\$5,180.00
Director's time (as Decision maker)	<ul style="list-style-type: none"> Meetings Decision making 	12.00	\$205.00	\$2,460.00
Director PPL time	<ul style="list-style-type: none"> Fee waiver 	0.00	\$205.00	\$0.00
SUB TOTAL	(not including advertising / submission/ hearing costs)	246.00 hours		\$34,350.00
Notification / Hearing Costs				
Public Notification	<ul style="list-style-type: none"> Cost of advertising 	TBC	TBC	TBC
TOTAL	(not including advertising / submission / hearing costs)*			\$34,350.00 + GST

*Hearing costs to be confirmed if a hearing is required. Advertising costs to be charged at actual cost.

This estimate may be revised depending on number/complexity of submissions received, or additional processing time required to consider the application once the requested information has been provided.

Please confirm that you accept the cost estimate provided by return email no later than **Friday 12 December 2020**.

Appendix One – Further Information Required

The following additional information is required by **20 January 2021** (unless another date is decided by mutual agreement):

1. In the Beale Consultants *Treble Cone Ski Area Terrestrial Ecology Assessment*:

- Completion of the vegetation descriptions (sections 5.1.5, 5.1.6, 5.1.7, 5.2), and ideally an expansion of the current vegetation descriptions to provide more detail on the composition of the different tussockland communities (i.e. slim, narrow-leaved and snow patch tussockland) and shrublands.
- For section 6.2 *Herpetofauna*, completion of a summer herpetofauna survey, targeting a selection of taxa from a range of modified and less modified habitats, and also cover the full elevation range of the ski field operation. We suggest including a control location (such as sampling from adjacent unmodified basins at equivalent locations).
- Completion of a summer invertebrate survey, targeting a selection of taxa from a range of modified and less modified habitats, and also cover the full elevation range of the ski field operation. We suggest including a control location (such as sampling from adjacent unmodified basins at equivalent locations).
- Inclusion of a fire risk assessment for the ski field. Fire risk is generally only a matter for lower elevation vegetated areas, although as mentioned in the ecological reports, there is considerable shrub (*Dracophyllum*) and tussock vegetation on the ski field. The likelihood of lateral fire spread into adjacent lands is high.
- A review of past revegetation and animal pest control work undertaken and future requirements for revegetation and animal pest control work.
- Inclusion of an exotic plant management plan.
This should include:
 - discussion on plants of conservation concern and of local distribution that should be controlled;
 - surveillance for exotic plants and plant spread;
 - An annual control plan outlining work proposed;
 - Review weed control work undertaken in the previous year.
- Expand on the exotic plant section, also including an appendix of exotic plants present.
- An ecological assessment of impacts for any proposed new activity. The level of detail required will depend on the nature of the activity. A detailed ecological assessment will be appropriate for any new activities proposed which will have significant on the ground effects (such as new structures, the gondola proposal, or the hydro-electric proposal), but does not to be as detailed for new activities which will likely have minor on the ground effects (such as aircraft landings, or summer guiding activities).
- Completion of section 7 *Aquatic Ecological Values*
- Completion of section 8 *Summary of Ecological Values* to include information from early summer survey results and freshwater habitats sample analysis results.
- Where appropriate, amending the Ecology Assessment to incorporate information gathered through summer surveys.

2. Inclusion of a vegetation monitoring programme. This should be informed by the vegetation descriptions and mapping. Some qualitative monitoring (i.e. plots or transects) should be established. This should include both commonplace and notable vegetation. The monitoring should consider potential climate change effects and recovery of revegetated areas.
3. Establishment of a photo point network, or equivalent, to track vegetation and geomorphological changes over time within the ski field areas. This could also be related to historical aerial photographs to track historical changes. Inclusion of photo points in control basins (where there is no ski field activity) to measure the effects of the ski field activity compared with baseline vegetation changes in undisturbed areas. This photo point monitoring should be complementary with the vegetation monitoring programme.
4. Inclusion of a coherent, data-backed assessment of climate change effects on the ski field. This should cover the period of commercial activity (decadal) with the aim to estimate the past, present and likely future snow presence on the ski field. This will provide a crude lifetime remaining for the ski field operation and allow for designing restoration programmes, obsolescence dates for chairlifts and so on. NIWA hold general snowline information for the Southern Alps covering the last 50 years.
5. Inclusion of an explicit climate-change plan. This would provide useful information for ecological management over time.
6. Inclusion of an estimate of the human and structural carrying capacity of the ski field. This would include information on how many humans the ski field can accommodate, for how long, and with what kinds of infrastructure.
7. Removal of duplicate background information on each of the different application forms provided. As all application forms will be publicly notified at the same time, this background information on Treble Cone Ski Field and the sale and purchase agreement between Cardrona Alpine Resort Limited and TCIL Limited can just be provided once.
8. Removal of duplicate figures 1 to 17. These may be provided once as an Appendix to the application forms, rather than attached at the end of each application form.
9. Provide a clear summary of the summer activities applied for, and the winter activities applied for.
10. Provide a clear summary of the existing activities you are applying for, and what new activities you are applying for.
11. Where you are indicating an intent to do something in future, but not applying for the activity now, please either remove reference to these activities or make it clear you are not applying for the activity at present. For example, the application includes a proposal for a gondola and a hydro electric plant without specific details about either proposal. If you do intend to apply for the gondola and hydro electric plant as part of this application, please provide detailed information about both proposals.
12. Completion of the landscape and visual assessment. Page 3 of the Landscape and Visual Assessment, under *4.0 Description of the Site* includes incomplete information which is highlighted yellow at present, as does page 12 under *6.2 Visual Assessment*.
13. Detailed mapping which shows where existing infrastructure is, along with the locations for proposed new activities.
14. Clear mapping showing the existing ski areas, and proposed extensions to the current ski area.

15. Ensure all infrastructure is included in the list of infrastructure for the lease, licence and easement applications. For example, the bus shelter at the base car park does not appear on the licence infrastructure list.

NOTE: Information requested below under point 16 may be commercially sensitive, and is not required in order for the application to be publicly notified. Please advise Permissions Advisor Rory McLean on rmclean@doc.govt.nz if you consider any or all the information requested below commercially sensitive, so that any or all information you provide in response to point 16 may be excluded from public notification.

16. To enable the Department to assess a fair concession activity fee, the following additional information is required regarding how the business operations will be managed including:
- An explanation regarding how the three activities will fit together in your business environment, given the ski field application **70749-SKI** (being the lease, licence and easement application to allow operation of the ski field) is a joint application between TCIL Limited (TCIL) and Cardrona Alpine Resort Limited (CARL), while the aircraft application **88877-AIR** and guiding application **88876-GUI** are solely from CARL. How will the various businesses record and report their revenue? Is it possible that a customer may purchase a single “pass” that enables them to engage in activities undertaken by the three concessions, with one pass/ticket price?
 - An explanation as to how the two entities (TCIL and CARL) propose to work together in the operation of your concessions (if granted).
 - An explanation as to whether Treble Cone will operate as a fully independent, stand alone ski area. Or whether a customer may be able to purchase a pass which enables access to both Cardrona and Treble Cone ski fields (or other package deals). If joint ski field passes, or similar, are possible, please describe how you plan to identify the revenue for each ski field.
 - Please provide business planning setting out the plans for the businesses (TCIL and CARL) over the next two years.
 - A copy of this financial years trading accounts (noting that they may not cover a full year and will not be finalised).

If you have any questions regarding this request, please contact Permissions Advisor Rory McLean in the first instance on rmclean@doc.govt.nz or 027 263 2688.