

9 June 2020

Department of Conservation

Attention: Rory McLean

Email: [rmclean@doc.govt.nz](mailto:rmclean@doc.govt.nz)

**Reference 82555-ACC**

Dear Rory

**CONCESSION APPLICATION – SKI LODGE AT CORONET PEAK (82555-ACC)  
RESPONSE TO REQUEST FOR FURTHER INFORMATION**

1. This letter responds to the Department's letter dated 25 May 2020 containing a Request for Further Information (**RFI**) in relation to certain aspects of Coronetwork Limited's Concession Application.

**Arrangement with Pure Exploration Limited**

2. The arrangement with Pure Exploration Limited involves an exclusive lease to that company for the relevant lease periods during summer (which I note are two three month periods, one either side of the Christmas/New Year break, not one three month period as stated in your RFI). The reasons for that are:
  - a. Pure Exploration Limited requires the whole lodge to accommodate its study programme participants plus instructors. There would be no room for additional members of the public, regardless of the following point.
  - b. The study programme includes indoor classroom type sessions. It would not be appropriate for members of the public to be present, even if there was room for them.
3. I make the point that, if this arrangement were not in place, the hut would be empty during the summer. The arrangement with Pure Exploration Limited increases recreational use of the Coronet Peak Recreation Reserve which would otherwise not happen (as well as providing additional income to Coronetwork Limited for hut maintenance purposes).
4. I emphasise that this is a temporary arrangement while Coronetwork Limited obtains a new lease and explores different options for summer use. Assuming a new lease is granted, Coronetwork Limited anticipates transitioning to a full time on-site warden which would enable all year round use of the ski lodge in the same manner as it is currently used in winter, including potential provision for public bookings as addressed below.

### **Publicly bookable – permitted use of the land**

5. Before addressing specific publicly bookable issues below, I point out that Clause 3.3.b of the current 2007 Deed of Lease (**Lease**) requires that: *“The Lessee shall ensure that the buildings are for the bona fide use of the Lessee’s members and members of any kindred organisation ...”*.
6. Not only does the current Lease not contain any requirement for the lodge to be available for booking by members of the public (whether in groups or individually), the Lease arguably does not provide for general bookings by members of the public (depending upon how you interpret Clause 3.3.b).

### **Availability for public bookings by community groups**

7. Coronetwork Limited currently operates an internal online booking system which can be viewed by anybody who has the online access link and is updated (with new bookings) by one person in charge of that online system. This approach accords with the permitted use of the land as described above, and has worked well in the past to achieve bona fide use of the land by Lessee’s members and members of any kindred organisation, as required by the current Lease.
8. For reasons addressed in more detail below, Coronetwork Limited has no difficulty with the idea of changing to an online website approach, involving a website searchable by the public at large and enabling direct bookings by community groups, if that is a requirement of a new lease.

### **Use by shareholders**

9. Bookings by shareholders are made through the internal online system referred to above, on a ‘first come first served’ basis. Some shareholders book a number of days per ski season. Other shareholders use the hut for day visit purposes and do not stay overnight. Some shareholders only use the hut rarely. I anticipate that this would apply to all of the six ski huts on Coronet Peak.
10. Attached to the Concession Application, in Schedule Seven, are copies of letters from Coronetwork Limited to the Department, covering the period July 2003 to April 2020. During that period, the percentage use by shareholders of Coronetwork Limited (being members of the Lessee as referred to in the Lease) has never been more than about 20%, and has reduced over time (particularly following initiation of summer use) to about 5% or less. As the shareholders of Coronetwork Limited primarily use the hut for skiing purposes, and as the summer use of the lodge is projected to continue into the future, the percentage use by shareholders of Coronetwork Limited is unlikely to exceed 5% in the future and will probably be less than that. Public use will therefore continue to be 95% plus going forward.
11. I am not sure of the reason for this aspect of the RFI, but I see no reason why any issue of concern should not be able to be addressed in a new lease.

### **Coronet Peak ski lodges as ‘private accommodation’**

12. This aspect of the RFI appears to state that the existing Coronet Peak ski lodges are not referred to in the Otago Conservation Management Strategy because they are publicly bookable accommodation. That statement is at least partially incorrect. As stated above, Coronetwork

Limited's ski lodge has never been subject to a requirement to be publicly bookable and may not be allowed to be publicly bookable. Coronetwork Limited is not sure whether any of the existing leases of the five other ski lodges include a requirement to be publicly bookable.

13. Coronetwork Limited's position is that its current method of ski lodge management achieves about 95% use by members of the public, through the methods detailed in the Concession Application, even though a specific member of the public cannot currently make a booking other than through a shareholder of Coronetwork Limited. In other words, regardless of the methods used, any objective of the ski lodge being available to the public is achieved.
14. Having made the previous point, Coronetwork Limited is currently reviewing the way it manages the ski lodge, particularly during the summer seasons, as described above. The logical outcome of that review (subject to achieving a new lease) will almost certainly be that the lodge is operated on a year round basis including a full time on-site warden.
15. That new arrangement going forward (assuming a new lease is granted) will almost certainly include a website. Coronetwork Limited has no difficulty with a requirement for the lodge to be publicly bookable through that website, if that is necessary for a new lease to be granted.

#### **Term of a new lease**

16. Coronetwork Limited applied for a 40 year term (approximately) upon the basis and assumption that it seemed sensible for the Department to align the terms of all of the leases so that they all expire about the same time and on about the same date as NZ Ski's skifield concession. That would enable the Department to carry out a one time review of the future of the entire Coronet Peak Ski Area. That seems to Coronetwork Limited to constitute "... *exceptional circumstances* ...", but only if the Department is interested in achieving that outcome. In other words, this 'exceptional circumstances' aspect of the Concession Application is for the benefit of the Department.
17. If the Department is not interested in achieving that outcome and/or does not consider that to be exceptional circumstances, Coronetwork Limited has no difficulty with a term of 30 years.
18. At this stage Coronetwork Limited does not formally amend the application in relation to this point, in order to provide the option for the Department to consider this issue further.
19. I trust the above answers all the questions in the RFI. If any further information is required, please advise.

Yours faithfully



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