

## A. DESCRIPTION OF ACTIVITY

Please describe the proposed activity in detail – where the site is located, please use NZTM GPS coordinates where possible, what you intend to use the building for, whether you intend to make any changes to the infrastructure.

Please include the name and status of the public conservation land, the size of the area for which you are applying and why this area has been chosen.

If necessary, attach further information including a map, a detailed site plan and drawings of proposal and label Attachment 3b:A.

### 1.0 Lease application and lease background

- 1.1 Coronetwork Limited (**Coronetwork**) applies for a lease to replace an existing lease which expires on 22 July 2022 (**Existing Lease**). The Existing Lease is a lease of an area of land, located within the Coronet Peak Ski Area near Queenstown, which contains one of the existing six ski huts on Coronet Peak.
- 1.2 The Existing Lease was granted under Section 54(1)(b) of the Reserves Act 1977. Coronetwork has been advised by the Department of Conservation (**Department**) that application for a new lease must be made under Part 3B of the Conservation Act 1987. This application is made accordingly, as advised by the Department.
- 1.3 The land subject to this application (**Site**) contains 461m<sup>2</sup> and is located within the Coronet Peak Recreation Reserve and within that land legally described as Part Section 20 Block XVI Shotover Survey District. The NZTM GPS coordinates of the Site are detailed on the Location Plan in Schedule One and the Site Plan in Schedule Three referred to below. The following plans accompany and form part of this application:
  - a. Schedule One – a Location Plan which identifies the location of the Coronet Peak Ski Area and the Coronetwork ski hut in the general context of Queenstown and the Wakatipu Basin.
  - b. Schedule Two – a copy plan from the Existing Lease which identifies (coloured orange) the land subject to the Existing Lease;
  - c. Schedule Three – a survey accurate Site Plan identifying the area and boundaries of the Site;
  - d. Schedule Four – the Site Plan overlaid over an Aerial Photograph.
- 1.4 The land subject to the Existing Lease contains a ski hut building owned by Coronetwork (ie: the Existing Lease relates to the land but not to the building on the land). Schedule Five contains photographs of the existing Coronetwork ski hut. The Site relates to and reflects the existing ski hut building. The area and dimensions of the Site differ from the land subject to the Existing Lease because:
  - a. The ground floor footprint of the ski hut building covers 247m<sup>2</sup>. There is no survey accurate plan of the 220m<sup>2</sup> area of land subject to the Existing Lease, so it is not clear exactly how that area was calculated, particularly as the physical footprint of the existing building is larger.
  - b. The Site includes a strip of land approximately 1m-3m wide around the outside of the external walls of the building to enable access for maintenance purposes such as painting, scaffolding, etc. and to reflect the physical dimensions of small areas of flat land, some bounded by walls or

retaining structures, which are used by occupants during sunny weather.

- c. The Site includes a small area on the western side, adjacent to the front door of the ski club building, large enough for two cars to park (stacked). That carparking space is invariably used in association with the Coronetwork ski hut (and not by the general public) because that area visually looks like the carparking is associated with the ski hut (refer to Photograph 4 in Schedule Five). That area is usually occupied by the vehicle belonging to the on-site warden who manages the ski hut.

1.5 Vehicle access to the existing ski hut building located on the land that is subject to the Existing Lease is currently obtained via the primary NZSki Coronet Peak access road and through the centre of the No 2 Carpark. That vehicle access is shown on the Site Plan in Schedule Three and on the Site Plan overlaid over an Aerial Photograph in Schedule Four. Coronetwork does not currently hold any lease or licence right in respect of that vehicle access. Consultation with the Department in relation to this application resulted in advice from the Department that application should also be made for an easement to secure that vehicle access. The required Easement Application accompanies this application.

1.6 No changes to the building or other infrastructure on the Site are proposed under this application. The Site fully contains, and only relates to, the existing ski hut building and related activities on the Site.

## **2.0 General background**

2.1 The Coronet Peak Ski Field located within the Coronet Peak Recreation Reserve was New Zealand's first commercial ski field, and was officially opened in 1947 with a single rope tow. Tourism pioneer Harry Wigley of Mt Cook Airline fame commissioned Bill Hamilton to design and build this rope tow. Since then it has grown into the existing Coronet Peak Ski Field comprising a wide range of commercial skiing facilities and able to accommodate up to about 5,500 skiers per day for a ski season lasting approximately four months from June to October (depending on exact opening and closing dates).

2.2 As people became more interested in this new freeform sport of skiing in the 1950's and 1960's, there were lodges built around the ski field base area so visitors from Southland and the wider Otago area could stay overnight on the mountain to enjoy their newly discovered sport and the fresh mountain environment.

2.3 The Coronetwork ski hut is one of six ski huts on Coronet Peak which are subject to leases similar to the Existing Lease which enable six privately managed ski clubs to provide on-ski field accommodation to members and (variously) to different sectors of the general public. The six ski huts have been an integral part of Coronet Peak Ski Field over the last 50-60 years.

2.4 The Coronetwork ski hut was constructed in the early 1960's by the Students Association of the Otago University based in Dunedin. It became known as the Otago University Ski Hut and for 30 years was the base for Otago University students and their guests to enjoy the winter recreational values of the Coronet Peak Recreation Reserve.

2.5 In the 1990's, the Student Association found that the ski hut was becoming too expensive and time consuming to maintain, so the Association sold it to a group of ex-students headed by well-known Dunedin sportsman Glenn Turner. They formed a company called Coronetwork Limited, comprising ten families who continued to enjoy the Coronetwork ski hut for a few more years. Coronet Peak Ski Area then used the ski hut for storage for a few seasons.

2.6 At that point the ski hut was falling into disrepair. A handful of local Queenstown ski enthusiasts, most of them connected to the Queenstown Alpine Ski Team, formed a group of ten shareholders who purchased Coronetwork Limited in 2002.

2.7 The Existing Lease to Coronetwork was granted in 1992, was renewed in 2007, and will expire in 2022. Over the past 50-60 years the Coronetwork ski hut has been extensively used throughout the ski seasons by members of the Otago University Students Association, members of Coronetwork, friends, visitors, and other community groups as detailed below. Use of the Coronetwork ski hut has recently

been extended to enable recreational use and activities through the summer months, also as detailed further below.

- 2.8 The extension of recreational use activities through the summer months coincides with the recent installation by NZSki of its new gondola which has recently opened for summer use and is intended to be used during winter and summer seasons.

### **3.0 Heritage context**

- 3.1 Coronet Peak Ski Field is one of only two examples of a large commercial ski field located on Crown Land (the other being Ruapehu) which includes traditional ski huts which provide communal on-ski field accommodation suitable for groups as well as individuals. The six ski huts on Coronet Peak provide a 'window into the past' because they reflect the pioneering ski field development from the inception of Coronet Peak Ski Field through to the present date.
- 3.2 The Coronetwork ski hut is a specific example. It was built by the Otago University Students Association in the 1960's and therefore reflects the extent to which Dunedin contributed to the impetus to create and develop Coronet Peak Ski Field. About 17 years ago the ownership of the hut passed to a group of local Queenstown residents who have continued the tradition of communal ski hut accommodation providing access to Coronet Peak Ski Field as detailed further below. Generations of families have been able to enjoy traditional ski hut recreational use on Coronet Peak because of the existence of the Coronetwork ski hut.
- 3.3 The Department of Conservation (DoC) is not in the business of maintaining and actively managing commercial ski huts. If a new lease is not granted the ski club building would presumably be removed. That heritage would be lost. Conversely, if a new lease is granted, that heritage will be able to be enjoyed by future generations.

### **4.0 Public use**

- 4.1 Coronetwork is a private company with private shareholders. Through their ownership of shares in Coronetwork those private shareholders are entitled to use the Coronetwork ski hut. However that extent of private use has been a small percentage of the overall use of the ski hut.
- 4.2 Coronetwork has, over the years, encouraged the use of the Coronetwork ski hut by other people (ie: not Coronetwork shareholders), and community organisations, as much as is practically possible. There are two primary reasons for that:
  - a. The Coronetwork members are conscious of what they consider to be an obligation under the Coronetwork Existing Lease to encourage widespread community use of the ski hut to enable a wide variety of people to enjoy recreational use of the public recreational land surrounding the ski hut.
  - b. Maintenance of the ski hut, and contributions to service infrastructure (as addressed below), involve considerable costs. It is necessary to generate income to meet those costs.
- 4.3 The extent, or type, of public use is limited by the nature of the ski hut building. Virtually all of the sleeping accommodation is communal sleeping accommodation which is not suitable for individuals and couples (unless they know each other, as the Coronetwork members do). The only realistic primary form of public use is use by communal groups, preferably for periods longer than just a day or two (in order to reduce 'turnover' expenses).
- 4.4 Coronetwork has therefore primarily targeted public use through two communal activity avenues:
  - a. Coronetwork actively, and successfully, targets school groups, particularly from schools other than Queenstown schools. A number of school groups have an annual ski trip to Queenstown, usually for a week, and often will book a year or two in advance to ensure they do not miss the opportunity. A particular example is Columba College in Dunedin which regularly books three of the six ski huts on Coronet Peak to accommodate the numbers on its annual winter school ski trip.

- b. Coronetwork targets local companies and organisations who may want to arrange a ski related function covering one or more nights' accommodation on the ski field.
- 4.5 Coronetwork has also, on occasion, made the Coronetwork ski hut available for central government purposes, including making the ski hut available to the NZ Police for training purposes and making the ski hut available to DoC employees and contractors clearing wilding pines during the summer season.
  - 4.6 Schedule Six contains three letters from schools, who use the Coronetwork ski hut for organised school skiing trips, confirming the value of the Coronetwork ski hut to those schools.
  - 4.6 Schedule Seven contains copies of five letters from Coronetwork to the Department advising the nature and extent of the usage of the ski hut during the period winter 2003–summer 2019/2020.
  - 4.7 Up until the end of the 2018 ski season, the usage percentages in the letters in Schedule Seven primarily related to use during the four month ski season. However the use of the Coronet Peak Recreation Reserve for recreational purposes between ski seasons, in particularly during the summer season, has been increasing year upon year. In 2018 Coronetwork decided that the time had come to explore the possibility of enabling use of the Coronetwork ski hut outside the ski season.
  - 4.8 At the moment it is not possible to make any long term plans in relation to the Coronetwork ski hut due to the fact that the Existing Lease expires in 2022. It was therefore necessary to find a form of use that worked on an annual basis, and could potentially be renewed annually, but did not depend upon a longer term.
  - 4.9 Coronetwork secured a use for the entire 2018/19 summer period (excluding a Christmas/New Year break) by a company called Pure Exploration Limited whose business is training outdoor adventure guides. This use continued through the 2019/20 summer period until terminated in March 2020 because of the COVID-19 pandemic.
  - 4.10 The Coronetwork ski hut is ideal for this business. The study programme involves groups of 24 students and instructors. Each course lasts three months. Two courses run through the summer period, one either side of the Christmas/New Year break. The result of this arrangement is an additional approximately 48 people using and enjoying the recreational potential of the Coronet Peak Recreation Reserve through the summer, and the ski hut being occupied for a total of approximately 4,320 person/nights during that period.
  - 4.11 Pure Exploration Limited is a DoC national MoU partner for environmental work in New Zealand. Schedule Eight contains a letter from the principal of Pure Exploration Limited confirming the nature of the business carried out using the Coronetwork ski hut, and the value of the Coronetwork ski hut to enable that business to be carried out.

## **5.0 Affordability**

- 5.1 Coronetwork's objective is to provide classic, traditional, ski accommodation at an affordable price for members, school groups, students, and visiting families to the area. To achieve that objective Coronetwork has, over the past 17 years (refer to the letters in Schedule Seven), provided affordable accommodation for:
  - a. school groups, some of which regularly book ahead for future years;
  - b. visiting students who have links to Coronetwork shareholders;
  - c. visiting families from outside the district;
  - d. special nights as fundraisers to local school and community groups (ie: Coronetwork donates a number of nights without charge as a contribution to enable fundraising by local school and

community groups).

5.2 Coronetwork's current charges (during the ski season) are:

- a. school groups - \$25 per person per night;
- b. other groups over 15 people - \$650 per night up to 15 people plus \$35 per person per night over 15 people;
- c. individuals other than Coronetwork's shareholders (and their families and close friends) - \$35 per person per night;
- d. close friends of Coronetwork shareholders - \$20 per person per night;
- e. Coronetwork shareholders (and their families) - \$5 per person per night.

5.3 Those charges are not at commercial rates. They are not even at 'break even' rates (with the result that Coronetwork shareholders subsidise income/expenditure shortfalls on an annual basis). Those rates are set at levels designed and intended to make it as affordable as reasonably possible for a wide range of potential users of the Coronetwork ski hut, and to maximise use of the ski hut.

Note: The concessionary rate charged to Coronetwork shareholders and their families reflects the fact that the Coronetwork shareholders make financial contributions to Coronetwork to cover shortfalls between expenditure and income relating to the Coronetwork ski hut.

## 6.0 Infrastructure considerations

6.1 The Coronetwork ski hut is an integral part of the overall Coronet Peak ski field infrastructure. The six ski huts are all connected to NZSki water supply and wastewater disposal infrastructure services and, over recent years, have made significant capital contributions to those infrastructure services (at NZSki's request) in order to improve environmental outcomes relating to those infrastructure services. By way of example in 2019 the six ski huts contributed \$42,870 (of which Coronetwork Limited's share was \$7,145, plus significant labour at no cost) to a potable water supply upgrade initiated by NZSki.

6.2 If Coronetwork's Existing Lease expires, and a new lease is not granted, the Existing Lease provides that all improvements on the land subject to the Existing Lease will revert to DoC. That will involve a financial liability for DoC, particularly in relation to removal of the existing building. While that may not be a significant amount in DoC's overall budgets, it would involve an unnecessary use of public funds. This issue could be addressed, assuming a new lease is granted, by including a provision requiring the Lessee to remove all improvements upon expiry of the term of the lease.

## 7.0 Maintenance

7.1 The Coronetwork shareholders carry out maintenance to the ski hut building as required to keep it in an appropriate state and condition for the people and groups who use it. That requires one or more annual working bees, usually during the Christmas/New Year period when the ski hut is not in use, plus attendance to other maintenance issues as they arise from time to time. That maintenance includes regular repainting of the exterior of the ski hut to keep it looking tidy and presentable.

7.2 Some parts of the ski hut are now getting close to the point where more significant upgrade or maintenance is required, particularly in the bathroom areas. That depends upon the grant of a new lease, and will be attended to if and when a new lease is granted.

## 8.0 Alternative

8.1 The heritage/recreational/affordability factors addressed above must be considered in combination. That

combination enables a wide range of people to have affordable access, by way of on-site overnight accommodation, to a wide range of recreational activities within the Coronet Peak Recreation Reserve and to the cultural heritage aspects addressed above.

- 8.2 Coronetwork's recent decision to extend the ski hut availability to what are now effectively all year round activities adds significantly to the value of the Coronetwork ski hut to the wider community. The granting of a new lease to Coronetwork will extend those benefits, for future generations, for as long as DoC will allow the ski hut to remain.
- 8.3 The alternative is expiry of the lease in July 2022 and (presumably) removal of the ski hut. That might enable the creation of a few extra carparks for the ski field operation, although the topography is not particularly suitable for that. A decision not to grant a new lease will therefore involve a net loss of all of the benefits addressed above with no corresponding positive gain.

## 9.0 Policy considerations

- 9.1 The Existing Lease was granted, and renewed, as a lease of land classified as Recreation Reserve under the Reserves Act 1977. Section 17U(3) of the Conservation Act 1987 provides that an application for a concession must not be contrary to "... purposes for which the land concerned is held". As the Conservation Act 1987 does not include provisions specifying the purposes of various kinds of reserve, Coronetwork assumes that the relevant "purpose" is the purpose of the recreation reserve under the Reserves Act 1977 and therefore that the policy provisions of the Reserves Act 1977 continue to apply.
- 9.2 Coronetwork therefore assumes that the relevant policy provisions arise under the combination of the following:
- Reserves Act 1977
  - Conservation Act 1987
  - General Conservation Policy 2005
  - Otago Conservation Management Strategy 2016
- 9.3 The documents detailed in the previous paragraph are addressed separately below. To avoid unnecessary repetition, the more specific policy considerations are addressed before the more general policy considerations.

### **Reserves Act 1977**

- 9.4 Under Section 17(1) of the Reserves Act recreation reserves are classified or created:

*"... for the purpose of providing areas for the recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside, with emphasis on the retention of open spaces and on outdoor recreational activities, including recreational tracks in the countryside."*

- 9.5 Granting a new lease to Coronetwork for the purposes described in this application will fall entirely within the purpose of this particular recreation reserve as quoted above, and will positively give effect to that purpose.
- 9.6 None of the other considerations referred to in Section 2(b) (*scenic, historic, archaeological, biological, geological, or other scientific features or indigenous flora or fauna or wildlife*) are relevant to consideration of this application.
- 9.7 Under Section 2(c) every recreation reserve must be so administered that:

*"(c) those qualities of the reserve which contribute to the pleasantness, harmony and cohesion of the natural environment and to the better use and enjoyment of the reserve"*

*shall be conserved;*"

9.8 Referring to Section 2(c) quoted above:

- a. granting a new lease will not adversely affect the qualities of the Coronet Peak Recreation Reserve which contribute to the pleasantness, harmony, and cohesion of the natural environment;
- b. granting a new lease will positively achieve the better use and enjoyment of the Coronet Peak Recreation Reserve.

**Otago Conservation Management Strategy 2016 (CMS)**

Vision, objectives and milestones

9.9 The following extracts from the CMS are considered to be directly relevant to this application:

- a. From the Vision, objectives and milestones for Recreation:

*"The tourist areas of Queenstown and Wanaka are visited year-round for many recreational and adventure pursuits, either as individual or club activities or via commercial operators. The presence of several of the country's major ski fields, three on public conservation lands and waters, is a driver for New Zealand's winter tourism market ... In summer the townships of Queenstown and Wanaka become a base for a vast array of outdoor experiences in the region. ..."*

- b. From the desired Outcome for the Western Lakes and Mountains/Ngā Puna Wai Karikari a Rākaihautū Place:

*"More people enjoy a wide range of recreational opportunities and experiences within the recreation settings across the Western Lakes and Mountains/Ngā Puna Wai Karikari a Rākaihautū Place, provided by the Department, the community and many commercial providers. The range of experiences and opportunities enables people to choose between remote, quiet and tranquil locations and busy, highly visited sites."*

*"The Remarkables, Coronet Peak and Treble Cone ski fields provide for intensive use and are highly valued recreation and tourism opportunities enabling access to high-altitude areas. Recognition of the ski fields' location on public conservation lands and waters, and conservation interpretation, are readily apparent to visitors."*

*"Collaborations and partnerships with Ngāi Tahu, business, communities and other interested parties have helped achieve more conservation and enhanced prosperity across this Place ..."*

Part 3.25

9.10 Part 3.25 of the CMS contains the following statement:

*"Three commercial ski fields (Coronet Peak, The Remarkables and Treble Cone) are authorised on public conservation lands in Otago. All are popular visitor attractions and an integral part of Otago's tourism sector, and have potential for wide-ranging conservation advocacy, in addition to their community engagement with backcountry recreation."*

9.11 The CMS does not define the commercial ski fields, and makes no reference at all to the six ski huts located on Coronet Peak within the commercial ski field area. However there can be no doubt that the Coronet network ski hut (and the other five ski huts) constitute an integral part of Coronet Peak Ski Field. This is evidenced by (and partially illustrated in the Aerial Photograph in Schedule Four):

- a. the location of Coronetwork ski hut (and the other five ski huts) in the context of, and in relation to, the vehicle roading accesses and carparking created for the commercial ski field activity which surround (above and below) the ski huts;
  - b. the primary winter use of the ski huts which is entirely dependent upon, and contributes to, the commercial ski field operations;
  - c. the integration of the ski huts with the ski field potable water supply and wastewater infrastructure services as detailed above.
- 9.12 Because the CMS contains no direct reference to the ski huts, there is no direct reference to the ski huts in Policies 3.25.1-3.25.6. However it is considered that the grant of a new lease to Coronetwork:
- a. will not be contrary to any of those policies; and
  - b. will positively implement Policy 3.25.4 which reads:

*"Where practicable, encourage non-skier and/or non-ski season visitor use, and visitor use beyond the ski field consistent with the outcomes at Place."*

Part 3.11

9.13 Part 3.11 of the CMS addresses: "*Private accommodation and related facilities*". Whether Part 3.11 applies to this application is not clear, for (at least) the following reasons.

9.14 The first reason is that Part 3.11 commences with the following sentences:

*"Existing structures on public conservation lands and waters include some private accommodation and related facilities that are not available for use by the general public. Some of these structures have been authorised, but several have been erected and used unlawfully (see Table 3.11.1)..."*

9.15 It seems clear that Table 3.11.1 is intended to contain all of the structures referred to in the extract quoted above. However Table 3.11.1 does not include any reference to the six ski huts which form part of the Coronet Peak Ski Field. The existence of the six ski huts is known to DoC, as they are all subject to leases from DoC which require annual rental to be paid to DoC. The omission of the ski huts from Table 3.11.1 therefore cannot be accidental. It therefore seems clear that Part 3.11 is not intended to apply to the ski hut structure which is (indirectly) subject to this application.

9.16 The second reason relates to the CMS definition of "*Private accommodation*" which reads:

*"Place to live or lodge that is not available to the general public on an open basis (Conservation General Policy 2005)."*

9.17 It is debatable whether the definition quoted above applies to the Coronetwork ski hub, for two reasons.

9.18 The first reason relates to the nature of the ski club building itself, as addressed above. It is quite clear from a physical inspection of the building that the ski hut could not be made available to the general public in the same way that (for example) the modern commercial visitor accommodation at Cardrona Ski Field is made available to the public. The communal nature of the sleeping arrangements significantly limits the range of people who could reasonably use the facilities. A member of the general public looking for on-field commercial visitor accommodation, particularly a member of the wider skiing community, would not expect to book a bunk, in a communal bunkroom, sleeping in the same room as strangers. The only way the Coronetwork ski hut can practically be used by the public is on a communal



booking basis.

- 9.19 The second reason, which is related to the first reason, relates to operational costs and therefore accommodation prices. General availability to the wider public would require the ability to 'turnover' rooms on a daily basis. That would have significant operational cost consequences, which would in turn significantly affect the prices that would have to be charged. Even if that were possible (which is doubtful) that would be contrary to the 'affordability' aspect of Coronetwork's philosophy and objectives for the Coronetwork ski hut as described above.
- 9.20 The recently extended summer use provides availability to a section of the general public in an indirect way. While the building is being leased to Pure Exploration Limited for the summer period, that tenant markets its outdoor adventure guiding courses to the general public and is therefore targeting a specific subset of the general public which has a particular interest in learning skills relating to outdoor recreational activities which they can then use to introduce more members of the general public to those outdoor recreational activities.
- 9.21 The reality is that the Coronetwork ski hut is available to those segments of the general public that it can practicably be made available to, and is marketed to those segments of the general public to the best of Coronetwork's ability. As a consequence the Coronetwork ski hut is used by a wide range of groups and individuals for a significant percentage of each year (particularly now that summer use is included). It is difficult to see how Coronetwork could reasonably and practically increase the extent of use of the ski hut by the general public.
- 9.22 If it is considered that, despite the points made above, Part 3.11 does apply to this application then the following points are made in support of the grant of a new lease.
- 9.23 Policies 3.11.1 and 3.11.2 commence with the word "*Should ...*". The Interpretation section of the CMS provides, in clause 7 on Page 12 under the heading 'Policies', that policies which provide no discretion for decision-making state that a particular action or actions 'will' be undertaken. Use of the word 'should' carries a strong expectation of outcome but inherently reserves an element of discretion. It is considered that the following factors are relevant to the exercise of that residual discretion:
- a. It is clear, from the lack of any reference to the ski huts in Part 3.11 Table 3.11.1 or in Part 3.25, that no thought or consideration was given to the ski huts located within the Coronet Peak Ski Area when the CMS was drafted and approved. It is therefore clear that no thought or consideration has been given in the CMS to the appropriate future of these ski huts.
  - b. It is equally clear that the grant of a new lease to Coronetwork will result in significant community benefits without any disbenefits, and correspondingly that the refusal of a new lease will result in significant disbenefits to the community without any benefits.
- 9.24 Referring to Policies 3.11.2(a) and 3.11.4(a), Coronetwork is willing to work with DoC to explore ways in which public use of the ski hut building could be enhanced over time. Taking into account the points made above, Coronetwork considers that that would be a significant challenge. However Coronetwork is willing to explore that challenge if necessary.
- Note: A site visit would be required to properly understand the constraints of the building in order to explore this possibility further.
- 9.25 Referring to Policies 3.11.2(b) and 3.11.4(b), the issue of removal of the buildings upon termination of a new lease has been addressed above. Coronetwork has no difficulty with a new lease including a requirement for the Lessee to remove improvements upon expiry of the term.
- 9.26 Coronetwork has no difficulty with any of the remaining requirements of Policies 3.11.4, 3.11.5 and 3.11.6.

**Conservation General Policy 2005 – Revised Edition 2019 (CGP2005)**

9.27 The CGP2005 provides General Policy applicable to the Reserves Act 1977 and the CMS. By their nature the CGP2005 policies operate at a higher level, and tend to be expressed more generally, than the more specific policies of the Reserves Act 1977 and the CMS. Therefore the points already made above in relation to the Reserves Act 1977 and the CMS also apply, and are relevant to, the policies of the CGP2005. To avoid unnecessary repetition, those points will not be repeated.

9.28 Coronetwork considers that this application:

a. will specifically implement Policy 9.1(a) which reads:

*“(a) Recreational opportunities will be provided on public conservation lands and waters. Where provided, they should be consistent with the values and outcomes planned for places.”*

b. meets the criteria detailed in Policy 10(d) and Policy 10(e).

c. is otherwise not inconsistent with all of the relevant policies of the CGP2005.

### **Conservation Act 1987**

9.29 The Conservation Act 1987 does not contain any policy considerations potentially relevant to this application. However Section 17U(1) details matters which must be considered when any application for a concession is under consideration.

9.30 Section 17U(3) provides an application for a concession must be for the purpose for which the land concerned is held. Therefore the relevant provisions of the Reserves Act 1977 are relevant to consideration of that requirement. Coronetwork considers that the proposed activity is fully in accord with the recreation reserve purpose for which the land concerned is held, for the reasons detailed above under the heading ‘Reserves Act 1977’.

9.31 Referring to Section 17U(5) Coronetwork considers that:

a. The areas of land comprising the Site are necessary for the purposes of safety and security of the ski hut and will enable activities that are an integral part of the ski hut accommodation activity that will be carried out on the site;

b. The grant of a lease is essential to enable the ski hut activity to be carried on.

9.32 For the purposes of Section 17U(6) exclusive possession is necessary for all of the reasons detailed in Section 17U(6).

**[Parts B-G of Form 3b are addressed on the following pages of this application]**

**[Schedules One-Eight follow Parts B-G]**

---

## B. Alternative sites considered

If your application is to **build, extend or add** to any permanent or temporary structures or facilities on public conservation land, please provide the following details:

- Could this structure or facility be reasonably located outside public conservation land? Provide details of other sites/areas considered.
- Could any potential adverse effects be significantly less (and/or different) in another conservation area or another part of the conservation area to which the application relates? Give details/reasons

Not applicable – this application does not request approval to build, extend or add to any structure.

Should this Part B be considered to be applicable, the nature of the structure (being an on-site ski hut) is such that it could not be reasonably located outside the Coronet Peak Recreation Reserve public conservation land, and its co-location with the other five existing ski huts on Coronet Peak is such that any potential adverse effects could not be less if it were located in any other location.

---

## C. Larger area

Is the size of the area you are applying for **larger** than the structure/facility

**YES**

If **yes**, please detail the size difference in the box below, and answer the following 3 questions, if **no** please go on to the next section:

The ski hut covers 247m<sup>2</sup> ground floor area. The Site subject to this application, as shown in the plans in Schedules Three and Four, is 461m<sup>2</sup>. The difference relates to:

- a strip of land approximately 1m-3m wide (subject to b. below) around the perimeter of the ski hut building which is essential to carrying on the activity because it provides access to the exterior of the building for maintenance purposes and it reflects the physical dimensions of small outdoor areas of flat land, some bounded by walls or retaining structures, which are used by occupants during sunny weather;
- the small carparking area (sufficient for two cars) referred to in paragraph 1.4.c in Part A above which is necessary as an integral part of the activity because it provides car parking for vehicle access which is essential to carrying on the activity.

Is this necessary for safety or security purposes? **YES** (for the reasons detailed above)

Is this necessary as an integral part of the activity? **YES** (for the reasons detailed above)

Is this essential to carrying on the activity? **YES** (for the reasons detailed above)

If the answer to any of the above is yes, please provide details and attach supporting evidence if necessary and label Attachment 3b:C.

Necessary details have been provided above.

Relevant plans are attached in Schedules Three and Four.

---

## D. Exclusive possession

Do you believe you need **exclusive possession** of the public conservation land on which your structure/building is located, ie no one else can use the land during your use of it? **YES**  
(*Exclusive occupation requires a lease which requires public notification of the application*)

If **yes**, please answer the following 3 questions, if no please go to the next section:

Is exclusive possession necessary to protect public safety? **YES**

Is exclusive possession necessary to protect physical security of the activity? **YES**

Is exclusive possession necessary for the competent operation of the activity? **YES**

If the answer to any of the above is yes, please provide details and attach supporting evidence if necessary and label Attachment 3b:D.

Necessary details have been provided above.

Relevant plans are attached in Schedules Three and Four.

### *Public safety*

1. The building is kept locked when not in use and is therefore not open to the general public. However there is external stair access which is necessary for fire egress purposes. It is preferable to be able to exclude the public from those external fire stairway accesses should that prove to be necessary.

### *Physical security*

2. Exclusive possession is necessary to be able to protect the physical security of the ski hut.

### *Competent operation*

3. Exclusive possession is necessary for the competent operation of an accommodation activity.

---

## E. Technical Specifications (for telecommunications sites only)

Not applicable.

---

## F. Term

Please detail the length of the term sought (i.e. number of years or months) and why.

*Note: An application for a concession for a period over 10 years must be publicly notified, an application for a concession up to 10 years will not be publicly notified unless the adverse effects of the activity are such that it is required, or if an exclusive interest in the land is required.*

1. The current situation regarding the six existing ski huts within the Coronet Peak Ski Field is that (as understood by Coronetwork) they are all subject to different concession arrangements with DoC which (including rights of renewal) expire on a variety of dates in the future. In a 'big picture' sense, that does not appear to make much sense.

2. Coronetwork understands that NZSki has recently applied for a new concession (Coronetwork is not aware of the details) with a proposed ultimate term (presumably including any renewals) of 40 years.
3. It appears to Coronetwork to be logical and sensible that a new concession term for the Coronetwork ski hut (including renewals) should expire at the same time as the NZSki concession expires. The same principle could apply to the other five ski huts when they seek to renew their respective concessions so that all occupation/use/activity rights expire at the same time in the future. That would enable the overall situation relating to the Coronet Peak Recreation Reserve to be reviewed, in a holistic manner, at that time.
4. Accordingly, if Coronetwork's assumption about the proposed NZSki concession term of 40 years is correct, Coronetwork applies for a 20 year term, plus a 20 year right of renewal, totalling the same 40 year period.
5. If the term granted to NZSki (including any renewal) is more or less than 40 years then Coronetwork applies for an initial term of half the ultimate term granted to NZSki, with a right of renewal of the same period, so that the Coronetwork term (including renewal) expires at the same time as the NZSki term (including any renewal).

---

## G. Bulk fuel storage

Under the Hazardous Substances and New Organisms Act 1996 (HSNO Act) 'Bulk fuel storage' is considered to be any single container, stationary or mobile, used or unused, that has a capacity in excess of 250 litres of Class 3 fuel types. This includes petrol, diesel, aviation gasoline, kerosene and Jet A1. For more information on Hazardous Substances, go to:

<http://www.business.govt.nz/worksafe/information-guidance/legal-framework/hsno-act-1996>

Do you intend to store fuel in bulk on the land as part of the activity?

**NO**

If you have answered yes, then please provide full details of how and where you intend to store the fuel, and label any attachments including plans, maps and/or photographs as Attachment 3b:G. If your concession application is approved you will be required to provide a copy of your HSNO compliance certification to the Department before you begin the activity.

Not applicable.

## H. Environmental Impact Assessment

This section is one of the most important factors that will determine the Department's decision on the application. Please answer in detail.

In column 1 please list all the locations of your proposal, please use NZTM GPS coordinates where possible. In column 2 list any special features of the environment or the recreation values of that area. Then in column 3 list any effects (positive or adverse) that your activity may have on the values or features in column 2. In column 4 list the ways you intend to mitigate, remedy or avoid any adverse effects noted in column 3. Please add extra information or supporting evidence as necessary and label Attachment 3b:H.

Refer to Steps 1 and 2 in your Guide to Environmental Impact Assessment to help you fill in this section.

Location on public conservation land	Special feature or value	Potential effects of your activity on the feature or value (positive or adverse)	Methods to remedy, mitigate or avoid any adverse effects identified
NZTM GPS 2173327.1mE 5578039.3mN (at the centre of the ski hut – refer Site Plan in Schedule Three)	Ski field recreation values relating to the Coronet Peak Ski Field plus summer time recreational values arising from recreational use of the Coronet Peak Recreation Reserve, particularly for cycling and walking activities.	<p><u>Positive</u></p> <p>Coronetwork ski hut has a positive effect on these recreational values because it provides overnight accommodation within the Coronet Peak Recreation Reserve which provides ready access to the recreational activities available within the Coronet Peak Recreation Reserve.</p> <p><u>Adverse</u></p> <p>Coronetwork ski hut does not have any adverse effects on these recreational values.</p>	Not applicable.

## I. Other

Is there any further information you wish to supply in support of your application? Please attach if necessary and label Attachment 3a:I.

See attached Schedules One-Eight (as referred to in Part A of this Application).

Dated: 21 April 2020

**SCHEDULE ONE**

**Location Plan**

**CORONETWORK  
SKI HUT**

NZMG COORDINATES  
2173327.1mE  
5578039.3mN

← Coronet Peak Ski Area

Arrowtown →

← Arthurs Point

← Frankton

← Queenstown

Lake Wakatipu

← The Remarkables Ski Area



CORONETWORK LIMITED

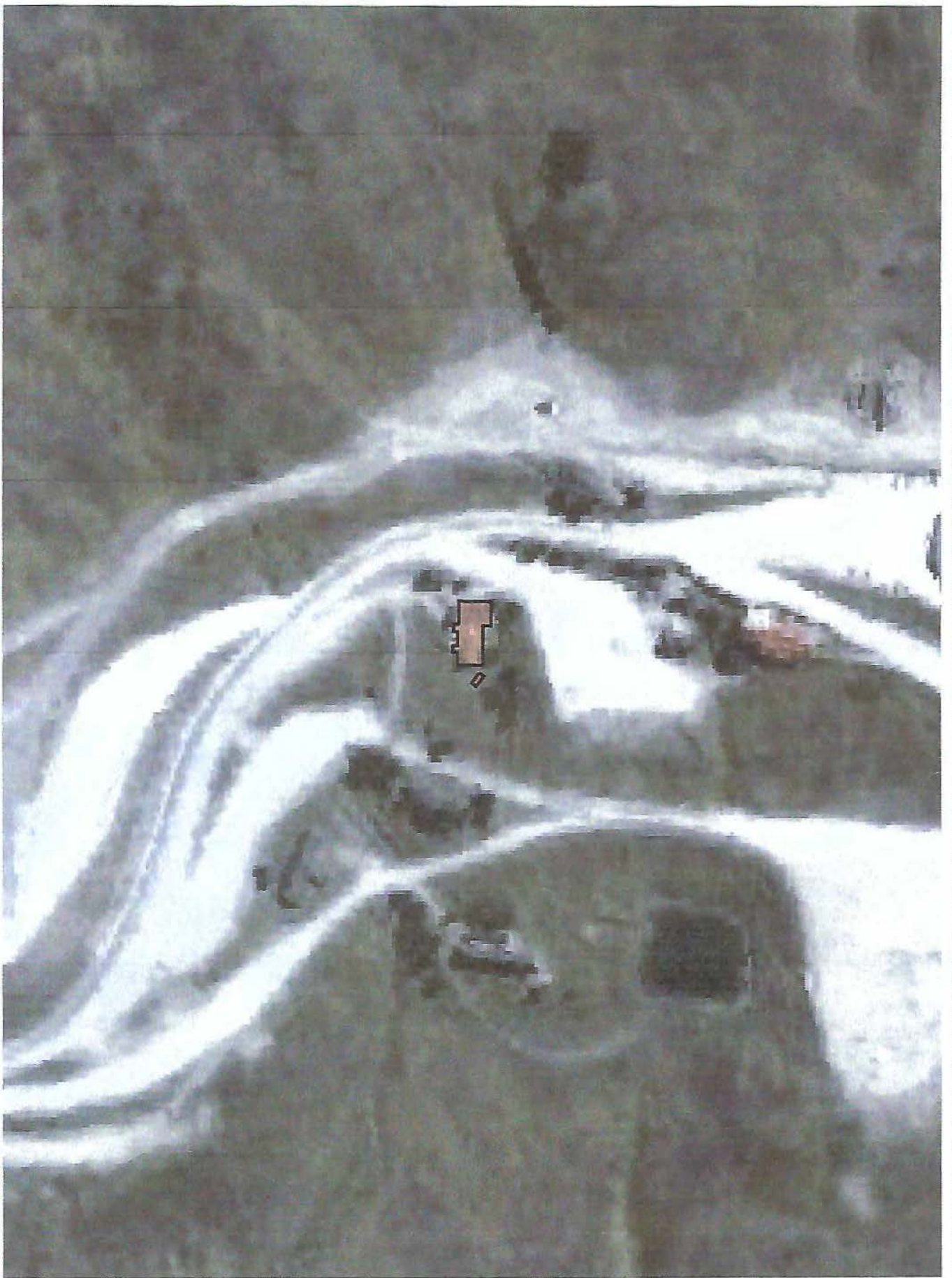
CORONETWORK SKI HUT  
LOCATION PLAN  
for DOC CONCESSION APPLICATION

Sheet No:	1	Revision No:	A	Date Issued:	15/04/2020
Original Size:	A3	Scale:	N.T.S.		
DO NOT SCALE					

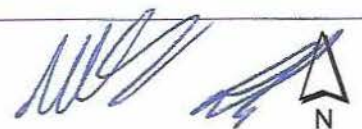


**SCHEDULE TWO**


**Copy plan from the Existing Lease identifying the land subject to the Existing Lease**



Plan of Coronetwork Ski Club  
Situating in Section 20  
PAC 13 26 06

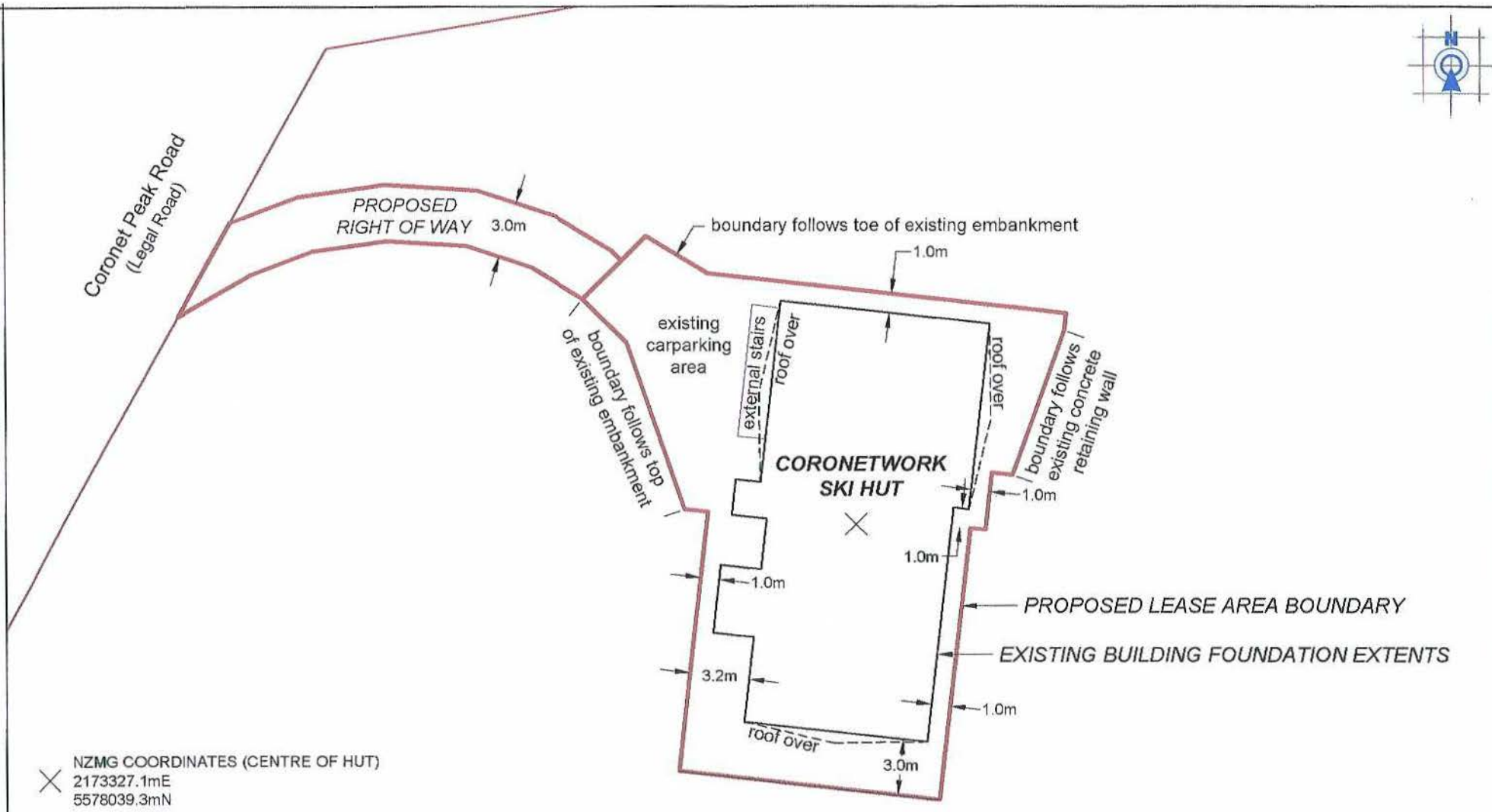


30 0 30 60 Meters

A horizontal scale bar with markings at 30, 0, 30, and 60 meters.A small, handwritten mark or signature in the bottom left corner.

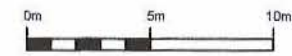
**SCHEDULE THREE**

**Site Plan**



X NZMG COORDINATES (CENTRE OF HUT)  
 2173327.1mE  
 5578039.3mN

AREA SCHEDULE	
Existing building foundation footprint	247m <sup>2</sup>
Proposed lease area	461m <sup>2</sup>
Proposed Right of Way area	68m <sup>2</sup>



Client: CORONETWORK LIMITED

Project/Drawing Title: CORONETWORK SKI HUT  
 SITE PLAN  
 for DOC CONCESSION APPLICATION

Original Size: A3	Scale: 1:200
DO NOT SCALE	
Sheet No: 2	Issue Created: 19/04/2020

**SCHEDULE FOUR**

**Site Plan overlaid over an Aerial Photograph**



CORONETWORK LIMITED

CORONETWORK SKI HUT  
SITE PLAN OVERLAID OVER AERIAL PHOTOGRAPH  
for DOC CONCESSION APPLICATION

Original Size	Scale
A3	1:1000
DO NOT SCALE	
Sheet No.	Revision No. / Date Created
3	A / 19/04/2020

**SCHEDULE FIVE**

**Photographs of existing Coronetwork Ski Hut**

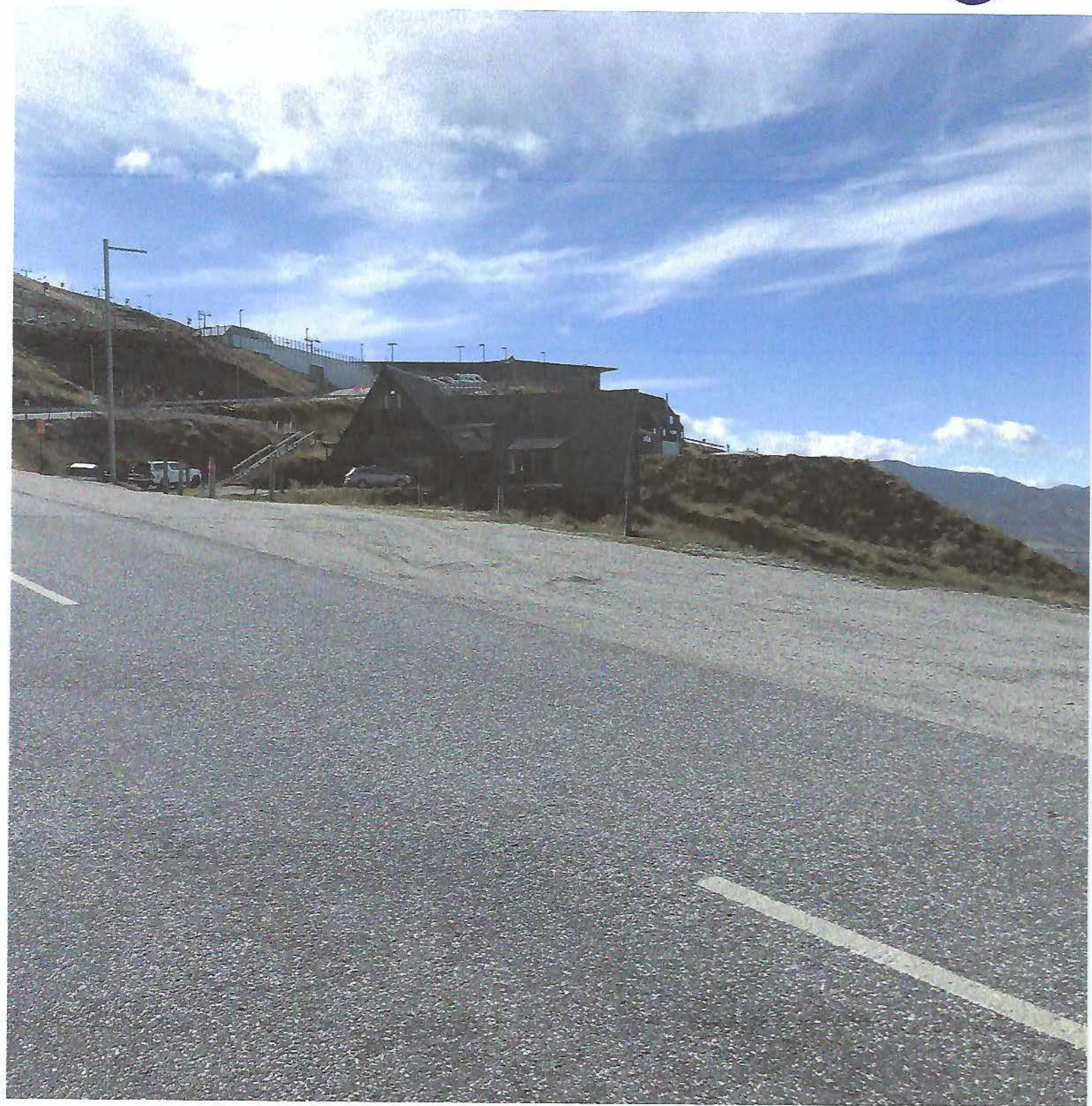
①





2





4



**SCHEDULE SIX**

**Three letters from schools who use the Coronetwork Ski Hut  
for organised school skiing trips**



**Columba College**  
A Tradition of Excellence

399 Highgate  
Dunedin 9010  
Private Bag 1911  
Dunedin 9054  
New Zealand

[columbacollege.school.nz](http://columbacollege.school.nz)

The Department of Conservation

**TO WHOM IT MAY CONCERN**

**Re: Coronet Peak Lease for Gobblers Ski Hut**

Columba College understands that the Lease held by the Gobblers' Ski Club for their lodge on Coronet Peak is due to expire on 22 July 2022. As a school we wish to support the application for this lease to be renewed. For the past 26 years we have taken our whole Year 9 cohort to Coronet Peak for a week of Skiing or Snowboarding, which is invaluable for their social development as well as providing the opportunity to learn a new skill or improve on the skills they already have. Even with the generous discount offered to school groups by NZ Ski, it is the possibility of being able to stay on the mountain and walk up every morning that makes it financially viable for us to offer this programme to our students. The Gobbler's Ski Lodge provides accommodation for about 30 students and three teachers for a reasonable daily cost, and also gives students the opportunity to help with meal preparation, housekeeping and to interact with each other at the end of their day of outdoor activity. The Gobblers, Vincent and Otago Ski Club Lodges provide just enough space that we can bring our Year 9 students here all in the same week, which is a valuable EOTC opportunity and also fosters many of the values of the NZ Curriculum. Our students consistently rate this week as a highlight of their secondary schooling.

Columba College strongly urges the Department of Conservation to renew the lease for the Gobblers Ski Hut beyond July 2022, so that it can continue to be used as part of schools' Education Outside the Classroom programmes.

Jenness Riethmaier  
Deputy Principal and TIC, EOTC  
Columba College  
Dunedin  
3 February, 2020.



Roebuck Rise  
Broad Bay  
Dunedin 9014  
Ph 03 4780 706  
Fax 03 4780 817  
[office@broadbay.school.nz](mailto:office@broadbay.school.nz)

03/02/2020

*To Whom It May Concern*

Our school has used Coronetworks (Gobblers) for the past five seasons to take our students away from school and provide them with an EOTC experience. Prior to this, I have used the facilities at another school and have had a long and trusting relationship over the past 15 years.

We value the support that Gobblers have given us and particularly enjoy the venue as it feels like a home away from home. Gobblers suits us because we are a small school and often only take 10 - 15 people away. Many of the other lodge facilities are too large for our groups. We also value greatly staying on the mountain.

We strongly support Gobblers in their application to renew their lease and look forward to continuing to use and support the lodge and the facilities and access to adventure learning opportunities they provide.

Please contact me should you require any further information.

Yours sincerely

*Greg MacLeod*



*Principal*



P O Box 8016, Gardens  
34 North Road, 9041  
Dunedin

Phone: (03) 473-9027  
Email: [office@dni.school.nz](mailto:office@dni.school.nz)  
Web: [www.dni.school.nz](http://www.dni.school.nz)

5 February 2020

To whom it may concern,

I have been taking groups of school children to Gobblers Lodge for nearly 12 years. More and more we are finding the children are not getting essential outdoor experiences that allow them to learn how to safely engage with the world around them and skiing is an opportunity that provides a good deal of fun, and fast success.

Prior to finding Gobblers Lodge we used to stay in Wanaka and travel up the mountain daily. This was arduous and expensive and so finding Gobblers was a godsend as it has kept the cost of the camps down and therefore accessible.

We fully support the submission for a renewed lease.

Kind regards,

A handwritten signature in blue ink, appearing to be 'H. Hayward', written in a cursive style.

Heidi Hayward - Principal  
Dunedin North Intermediate

**SCHEDULE SEVEN**

**Five letters to DoC recording usage**



20 April 2020

The Manager  
Department of Conservation  
P O Box 5244  
Dunedin

Coronetwork Limited  
c/o W. Goldsmith  
PO Box 2366  
Wakatipu 9349

**For: Lisa Wheeler**  
**E: lwheeler@doc.govt.nz**

**CORONETWORK LIMITED – SKI HUT ON CORONET PEAK**

1. This letter relates to the ski hut on Coronet Peak leased from the Minister of Conservation by Coronetwork Limited. This letter addresses the following:
  - a. Usage Report in respect of the past six year period.
  - b. Advice about certain maintenance and rebuilding matters.

**Usage**

2. Coronetwork Limited's last letter to the Department in relation to usage was dated 10 April 2014 covering the period May 2011 – April 2014. This letter relates to the period April 2014 – April 2020.
3. The pattern of use has changed somewhat compared to that previously advised in 2014. The primary use of the hut arises during the ski season, and is for overnight accommodation and day visits for a range of people during the ski season. However recently Coronetwork Limited has been able to achieve significantly increased use through the summer through a tenancy arrangement with Pure Exploration Limited, as detailed in paragraph 5 below.
4. The company has continued to make the hut available for use by various informal and non-profit groups, usually for particular functions or events, both during the ski season and at other times of the year. Those groups have included:
  - a. Columba College (2014, 2015, 2016, 2017, 2018, 2019)
  - b. Waitati School (2014, 2015, 2016, 2017, 2018)
  - c. Queenstown Scouts Group (2014)
  - d. Mountainview High School (2014, 2015, 2016, 2018, 2019)
  - e. John McGlashan School (2014)
  - f. Wakatipu High School (2014, 2016)
  - g. Broad Bay School (2015, 2017, 2018, 2019)
  - h. Dunedin North Intermediate School (2015, 2016, 2017, 2018, 2019)
  - i. Kiwi English College (2017)
  - j. NZ Police (2014)
  - k. Various local business and groups for staff recreational functions (2014, 2015, 2016, 2017, 2018, 2019)
  - l. Other people using the hut for private recreational functions (2014, 2015, 2016, 2017, 2018, 2019).
5. Over the past two summer seasons Coronetwork Limited secured a use for the entire summer period (excluding a Christmas/New Year break) by a company

called Pure Exploration Limited whose business is training outdoor adventure guides. The Coronetwork ski hut is ideal for this business. The study programme involves groups of 24 students and instructors. Each course lasts three months, so that two courses can run through the summer period, one either side of the Christmas/New Year break. Pure Exploration Limited is a DoC national MoU partner for environmental work in New Zealand.

6. The percentage of use of the hut by Coronetwork Limited shareholders, compared to the use of the hut by non-shareholders, continued to be similar to the 20% figure (as advised in 2014) during the period winter 2014 to winter 2018. However the use by Pure Exploration Limited during the past two summer seasons has resulted in the percentage use by Coronetwork Limited shareholders dropping to 3.3% in the 2018/2019 period and 5% in the 2019/2020 period. The percentage use by members of the community who are not shareholders of Coronetwork Limited during the 2019/2020 period was therefore 95%.
7. Coronetwork Limited has continued to spend money and effort regularly on the hut to maintain the building, both internally and externally. Over the period in question that has involved some significant monetary expenditure (as detailed in paragraph 11 below), in addition to a number of working bees by the shareholders of the company putting in time and effort to maintain the building to a good standard. However the increased level of usage, combined with the fact that the building is getting older, is now requiring commitment to increased maintenance expenditure as detailed below.
8. Coronetwork Limited confirms that the hut has, during the period in question, not been used for any permanent residential accommodation other than an onsite warden during the ski season, as required by the lease.
9. Coronetwork Limited confirms that, during the period in question, all income generated from use of the hut has been applied towards maintenance and upgrading the hut as required by the lease. Income generated from use of the hut continues to be insufficient to cover all outgoings, and the shortfall continues to be met by funds advanced to the company by its shareholders.

#### **Maintenance**

10. The ski hut is getting older, and as a consequence is requiring increased maintenance. In particular the bathroom areas are getting to a stage where some significant expenditure will be required in the near future to maintain appropriate standards of cleanliness and hygiene. That work will be dependent on the grant of a new lease to replace the current lease which expires in 2022. An application for a new lease is about to be lodged with the Department.
11. The following more significant maintenance matters have arisen since our last letter to you in April 2014:
  - a. In our April 2014 letter we advised the Department about part of the building requiring a significant degree of work due to leaking problems in the roof and the floor becoming detached from the concrete foundation, and we supplied a plan detailing an intended rebuild of that part of the building. That rebuild was carried out during the 2015/2016 summer at a cost of about \$15,000 plus significant labour (uncharged) provided by Coronetwork Limited shareholders.

- b. During the 2016/2017 summer we upgraded the Fire Alarm system at a cost of \$12,900.
- c. In our April 2014 letter we also advised the Department about discussions with NZSki concerning a possible upgrade of the communal water supply system which provides water to NZSki facilities and to the ski huts on Coronet Peak. At that time Coronetwork Limited anticipated a contribution of about \$5,000 towards such upgrade. That work was carried out in 2019. Coronetwork Limited's contribution to the cost of that upgrade was \$7,145. In addition significant labour (uncharged) was provided by Coronetwork Limited shareholders.

**Further Information**

- 12. If any on-site inspection is required in relation to the matters detailed above, Coronetwork Limited directors can make themselves available to attend any such inspection on short notice.
- 13. If you have any queries, or if any further information is required, kindly contact the writer (contact details below).

Yours faithfully



**Warwick Goldsmith**  
Director, Coronetwork Limited  
M: 021 220 8824  
E: goldsmithwarwick@gmail.com

COPY

10 April 2014

The Manager  
Department of Conservation  
P O Box 5244  
DUNEDIN

Coronetwork Limited  
c/o W. Goldsmith  
PO Box 213  
QUEENSTOWN

For: Dave Johnstone  
E: [djohnstone@doc.govt.nz](mailto:djohnstone@doc.govt.nz)

#### **CORONETWORK LIMITED – HUT ON CORONET PEAK**

1. This letter relates to the ski hut on Coronet Peak leased from the Minister of Conservation by Coronetwork Limited. This letter addresses the following:
  - a. Usage Report in respect of the past three year period.
  - b. Advice about certain maintenance and rebuilding matters.
  - c. Request for a further term of the lease.

#### **Usage**

2. Coronetwork Limited's last letter to the Department in relation to usage was dated 6 May 2011 covering the period May 2009 – May 2011. This letter relates to the period June 2011 – April 2014.
3. The pattern of use has changed somewhat compared to that previously advised in 2011. The primary use of the hut arises during the ski season, and is for overnight accommodation and day visits for a range of people during the ski season. However recently Coronetwork Limited has been able to achieve increased use through the summer, primarily in relation to providing accommodation for people employed in wilding conifer control work in the Wakatipu Basin area, as detailed in paragraph 5 below.
4. The company has continued to make the hut available for use by various informal and non-profit groups, usually for particular functions or events, both during the ski season and at other times of the year. Those groups have included:
  - a. Columba College (2011 and 2013)
  - b. Waitati School (2011, 2012 and 2013)
  - c. Queenstown Scouts Group (2012 and 2013)
  - d. Mountainview High School (2012 and 2013)
  - e. John McGlashan School (2013)
  - f. NZ Police (2013)
  - g. Groundspray – accommodation for staff carrying out wilding pine eradication (2012 and 2013)
  - h. Various local business and groups for staff recreational functions (2011, 2012 and 2013)
  - i. Several other people using the hut for private recreational functions (2011, 2012 and 2013).

5. Over the past two summer seasons Coronetwork Limited has made the hut available to a local contractor for weekday accommodation for workers employed on wilding conifer clearance works in the district. The hut is particularly well suited for this purpose, due to its location and due to the fact that it is relatively robust and can reasonably accommodate casual workers working in the rural area (albeit this does lead to increased maintenance costs, as discussed below).
6. The percentage of use of the hut by Coronetwork Limited shareholders, compared to the use of the hut by non-shareholders, continues to be similar to that advised in 1997, comprising approximately 20% use by Coronetwork Limited shareholders and approximately 80% by members of the community who are not shareholders.
7. The company has continued to spend money and effort regularly on the hut to maintain the building, both internally and externally. Over the period in question that has not involved a significant amount of monetary expenditure, but has involved a number of working bees by the shareholders of the company putting in time and effort to maintain the building to a good standard. However the increased level of usage, combined with the fact that the building is getting older, is now requiring commitment to increased maintenance expenditure as detailed below.
8. The company confirms that the hut has, during the period in question, not been used for any permanent residential accommodation, other than an onsite caretaker during the ski season, as required by the lease.
9. The company confirms that, during the period in question, all income generated from use of the hut has been applied towards maintenance and upgrading the hut as required by the lease. Income generated from use of the hut continues to be insufficient to cover all outgoings, and the shortfall continues to be met by funds advanced to the company by its shareholders. Even though usage has increased, which has resulted in an increase in income, that has been offset by a significant increase in insurance premiums as a consequence of the Christchurch earthquake.

#### Maintenance

10. As stated above, the ski hut is getting older, and as a consequence is requiring increased maintenance. The shareholders had two working bees on-site in March 2013, and a further two working bees in March 2014, to attend to the more minor maintenance matters. **Attachment A** is a list of maintenance items drawn up for the 2013 working bees, and **Attachment B** is a list drawn up for the 2014 working bees. This illustrates the ongoing extent of smaller maintenance items which have to be dealt with, partially due to the increased level of usage, particularly over the summer months.
11. As part of the working bee activities carried out on during March 2013, about 50 small wilding conifer seedlings were removed from the vicinity of the ski hut. As part of the working bee activities carried out during March 2014, additional wilding pine seedlings were cleared from the immediate vicinity of the hut and the clearance area was extended to include two sloping sides of the NZSki Carpark No. 1 area east of the hut, resulting in removal of about 200 wilding seedlings and small trees.

12. The following more significant maintenance matters have arisen since our last letter to you in May 2011:
- a. In that letter we advised the Department of NZSki's intention to carry out a significant upgrade to the sewage disposal system serving all of the properties on the mountain, primarily due to increased focus on regulatory standards, and concerns about the adequacy of the then existing sewage disposal system in place. Coronetwork Limited agreed to NZSki's request, and committed to its proportion of capital upgrade costs. The amount paid by Coronetwork Limited was \$10,000 (based upon anticipated usage as a percentage of overall usage).
  - b. There have been discussions with NZSki about a possible upgrade to the communal water supply system which provides water to NZSki facilities and to the ski huts on Coronet Peak. While there is not yet a firm proposal, and anticipated costs are not known, Coronetwork Limited anticipates a contribution of about \$5,000 towards such upgrade.
  - c. Coronetwork Limited previously repainted the exterior of the hut in 2007. The environment on Coronet Peak is harsh, and external painting must be repeated on a regular basis. Coronetwork Limited has undertaken a complete repaint of the exterior of the hut in March 2014 in compliance with its obligations under clause 3.10 of the Deed of Lease. **Attached** Photographs C1 – C3 are taken of the hut after the recent repainting.
  - d. The Coronetwork Limited ski hut is a basic A Frame hut. As is often the case, it has some elements which protrude from the basic A Frame structure, particularly on the western side facing the Coronet Peak access road where the entrance, and a small part of the ground floor communal area, jut out from the side of the A Frame structure as shown in the **attached** photograph marked C1. Such protrusions out of the basic A Frame structure are not ideal because they tend to encourage water intrusion. This has been the case with the communal room protrusion (the right hand of the two protruding elements shown in photograph C1 - on the right hand side of the small firewood pile). That part of the building now requires a significant degree of work due to leaking problems in the roof and the floor becoming detached from the concrete foundation.
13. The situation described in paragraph 12.d above is of particular concern. The leaking roof aspect creates internal issues in the winter (when snow sits on the roof). More significantly, the detachment of the floor from the concrete foundation raises the possibility that a severe wind event from the wrong direction could actually blow that 'communal room protrusion' off its foundation and expose the interior of the hut to the elements in a storm.
14. The company proposes to completely rebuild this part of the building in accordance with **attached** Plan D which shows what is essentially a replica of the existing structure. The only differences are that the roof is slightly sloping rather than flat (to avoid future leaking problems), and the windows are slightly larger (to allow more sunlight in).

15. The company considers that the exterior maintenance/rebuilding works described in paragraph 14 above, and demonstrated in **attached** Plan D, comprise required maintenance under clause 3.4(e) of the Deed of Lease which does not require approval, and do not constitute a structural alteration or addition under clause 3.9(b)(i) which would require approval from the Minister.

**Note: If you have any doubt about the company's interpretation of the Lease as described above, please advise by return, as it is proposed that the works will be carried out within the next 3 - 4 weeks prior to winter.**

16. For the avoidance of doubt, Coronetwork Limited assumes that the full repainting of the exterior of the hut carried out last month did not require approval from the Minister as Lessor, because the repainting was carried out in the same colours as previously approved.

#### **Request for Further Lease Term**

17. The current 15 year term of the lease expires on 31 July 2022, which means the lease now only has 8 years left to run. There is no right of renewal. The company is facing increasing maintenance expenditure, on an asset which is rapidly running out of value in terms of the lease term. The shareholders are willing to commit to anticipated maintenance expenditure in order to maintain its current (or even an improved) state, but it becomes increasingly difficult to justify expenditure at that level if the lease term will expire in the not too distant future.
18. The effect of the Canterbury earthquake on insurance premiums has now resulted in an increase of the annual replacement insurance premium for the ski hut to \$10,000 per annum, which is a significant sum. Justifying that expense becomes increasingly difficult as the lease term runs out (in other words, putting it bluntly, it can become more attractive to reduce the extent of cover and take the risk that the building will not burn down within the next few years). Coronetwork Limited is willing to maintain full insurance cover, in order to maintain this asset for future community use, if future use and availability can be assured through the grant of a further lease term.
19. Coronetwork Limited believes the ski hut is well worth maintaining and improving as an asset for the foreseeable future. Usage is increasing, as described above. Quite apart from use by the shareholders of Coronetwork Limited, it is well enjoyed by a wide variety of community groups and individuals visiting the Coronet Peak recreational area. The summer usage by wilding conifer control workers is a new initiative which has potential for the future, as there may be a range of other activities (whether DoC related or otherwise) which could find this on-mountain rural accommodation to be very useful. Coronetwork Limited is willing to continue to maintain this asset with an eye to the future, but the Minister will appreciate that there will be little incentive to spend significant sums of money with the lease termination rapidly approaching and no right of renewal to rely upon.
20. The issue of a potential new lease term was addressed by the Department in its letter dated 3 May 2007 (your reference: PAC 13 26 06). A further seven years have now passed, and the balance lease term has reduced to eight years as stated above. Coronetwork Limited would prefer not to leave discussions about a new lease term until the end of the current lease term because of the considerations relating to maintenance costs, and further

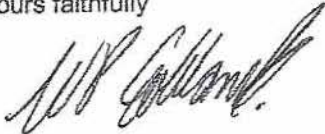
investment into the building, described above. Coronetwork Limited would prefer to initiate those discussions now and hopefully resolve that issue sooner rather than later.

21. **The company would appreciate a response from the Department as to whether the Department is willing to commence addressing this issue now, and if so, providing advice as to the required procedure.**

**Further Information**

22. If any on-site inspection is required in relation to the matters detailed above, the shareholders can make themselves available to attend any such inspection on short notice.
23. If you have any queries, or if any further information is required, kindly contact the writer (contact details below).

Yours faithfully



**Warwick Goldsmith**  
Director, Coronetwork Limited  
P: 03 450 0752  
M: 021 220 8824  
E: warwick.goldsmith@andersonlloyd.co.nz



# COPY

6 May 2011

The Manager  
Department of Conservation  
P O Box 5244  
DUNEDIN

Coronetwork Limited  
c/o W. Goldsmith  
PO Box 213  
QUEENSTOWN

**For: Dave Johnstone/Fran Thorsen**

**Coronetwork Limited – Hut on Coronet Peak**

Coronetwork Limited's last letter to the Department in relation to usage was dated 7 July 2010 covering the period 2006 – 2007. This letter relates to the period May 2009 to May 2011.

1. The pattern of use has generally remained as previously advised in 2007. The primary use of the hut arises during the ski season, and is for overnight accommodation and day visits for a range of people during the ski season.
2. The company has continued to make the hut available for use by various informal and non-profit groups, usually for particular functions or events, both during the ski season and at other times of the year. Those groups have included:
  - a. Dunedin Youth Group (2009 and 2010)
  - b. Columba College (2009 and 2010)
  - c. McAndrew School (2009 and 2010)
  - d. Queenstown Hockey Club (2010)
  - e. Department of Conservation – accommodation for staff carrying out wilding pine eradication
  - f. Bell Geoconsulting Limited – student studying the water systems at Coronet Peak for a Masters Degree (stayed 19 nights)
  - g. Luciano's – local restaurant (staff function)
  - h. Several other people using the hut for private functions.
3. The company has made the hut available to Wakatipu High School on two occasions for use for fundraising purposes.
4. The percentage of use of the hut by Coronetwork Limited shareholders, compared to the use of the hut by non-shareholders, continues to be similar to that advised in 1997, comprising approximately 20% use by Coronetwork Limited shareholders and approximately 80% by members of the community who are not shareholders.
5. The company has continued to spend money and effort regularly on the hut to maintain the building, both internally and externally. Over the period in question that has not involved a significant amount of monetary expenditure, but has involved a number of working bees by the shareholders of the company putting in time and effort to maintain the building to a good standard.
6. Coronet Peak Ski Area (NZSki) and owners of other huts on the mountain have been liaising over the past two years concerning a significant upgrade to the sewage disposal system which currently serves all of the properties on the

mountain. NZSki has now carried out that work and has approached all of the clubs requesting a capital contribution from each club slightly more than \$10,000 towards that major upgrade. The company is considering NZ Ski's request at this time, and will write separately to DoC about that matter.

7. The company confirms that the hut has, during the period in question, not been used for any permanent residential accommodation, other than an onsite caretaker for the ski season, as required by the lease.
8. The company confirms that, during the period in question, all income generated from use of the hut has been applied towards maintenance and upgrading the hut as required by the lease. Income generated from use of the hut continues to be insufficient to cover all outgoings, and the shortfall continues to be met by funds advanced to the company by its shareholders.

If any further information is required, please contact the writer.

Yours faithfully



**Warwick Goldsmith**

P: 03 450 0752

M: 021 220 8824

E: warwick.goldsmith@andersonlloyd.co.nz

COPY

7 July 2010

The Manager  
Department of Conservation  
P O Box 5244  
DUNEDIN

**For: Dave Johnstone/Fran Thorsen**

**Coronet Limited – Hut on Coronet Peak**

The Department has made an enquiry concerning the usage of the hut in terms of the lease held by the company, in respect of the renewal of the company's lease as from 1 August 2007.

Coronet Limited's last letter to the Department in relation to usage was dated 13 October 2005 covering the period 2003 – 2005. This letter covers the period 2006 – 2007 (for the purposes of the lease renewal) plus the period through to May 2009 (just prior to the commencement of the 2009 ski season). The next update to the Department will commence at the start of the 2009 ski season on or about 1 June 2009. Accordingly this letter relates to the period September 2005 – May 2009.

1. The pattern of use has generally remained as previously advised in 2005. The primary use of the hut arises during the ski season, and is for overnight accommodation and day visits for a range of people during the ski season.
2. The company has continued to make the hut available for use by various informal and non-profit groups, usually for particular functions or events, both during the ski season and at other times of the year. Those groups have included:
  - a. Wanaka Golf Club.
  - b. Remarkable Realty.
  - c. Queenstown Physiotherapy.
  - d. Dunedin Youth Group (2006, 2007, and 2008).
  - e. St Hilda's Collegiate (2007 and 2008).
  - f. Mt Aspiring College.
  - g. NZ Police.
  - h. McAndrew School (2007 and 2008).
  - i. Baxter Design Group.
  - j. Bayleys Realty.
  - k. Several companies involved with the Coronet Peak Ski Field upgrade – accommodation provided on the mountain to assist with that ski field upgrade work.
  - l. Several other people using the hut for private functions.

Please find **enclosed** for your information a copy of two Thank You cards received from St Hilda's Collegiate.

3. The company has continued to make the hut available to Wakatipu High School on a number of occasions for use for fundraising purposes.
4. The percentage of use of the hut by Coronetwork Limited shareholders, compared to the use of the hut by non-shareholders, continues to be similar to that advised in 1995, comprising approximately 20% use by Coronetwork Limited shareholders and approximately 80% by members of the community who are not shareholders.
5. The company has continued to spend money and effort regularly on the hut to maintain the building, both internally and externally. Over the period in question that has not involved a significant amount of monetary expenditure, but has involved a number of working bees by the shareholders of the company putting in time and effort to maintain the building to a good standard.
6. Coronet Peak Ski Area and owners of other huts on the mountain are in discussions concerning a significant upgrade to the sewage disposal system which currently serves all of the properties on the mountain. NZ Ski Limited is currently finalising the required engineering reports, and the various huts are monitoring their wastewater flows, with a view to that significant upgrade being carried out in the near future.
7. The company confirms that the hut has, during the period in question, not been used for any permanent residential accommodation, other than an onsite caretaker during the ski season, as required by the lease.
8. The company confirms that, during the period in question, all income generated from use of the hut has been applied towards maintenance and upgrading the hut as required by the lease. Income generated from use of the hut continues to be insufficient to cover all outgoings, and the shortfall continues to be met by funds advanced to the company by its shareholders.

I trust the above is satisfactory to answer the Department's enquiry. If any further information is required, please contact the writer.

Yours faithfully



**Warwick Goldsmith**

P: 03 450 0752

M: 021 220 8824

E: warwick.goldsmith@andersonlloyd.co.nz

13 October 2005

The Manager  
Department of Conservation  
PO Box 811  
**QUEENSTOWN**

COPY

For: Trish Kinney

Dear Trish

**CORONETWORK LIMITED - HUT ON CORONET PEAK**

The Department has made an enquiry concerning the usage of the hut in terms of the lease held by the company. On behalf of the company we respond as follows:

1. You will be aware that the shareholding of the company changed during the first part of 2003. The current directors and shareholders of the company are unable to advise about usage prior to 2003 as they have no knowledge of activities prior to 2003.
2. Being a ski hut located on a ski field, the primary use of the hut not surprisingly arises during the ski season. During the 2003, 2004 and (partially completed) 2005 ski seasons, the hut has been used both for overnight accommodation and day visits – by a wide range of people – mostly resident in Queenstown but some visiting from outside Queenstown. The extent of usage has varied, due to factors such as the quality of skiing available and the timing of school holidays (use being higher during school holidays than outside school holidays) but generally speaking usage has been extensive during the ski seasons.
3. The company has made the hut available for use by various informal and non-profit groups – usually for particular functions or events – both during the ski season and at other times of the year. Those groups have included:
  - a. Queenstown Alpine Ski Team;
  - b. NZ Police;
  - c. Local health providers;
  - d. A vintage car club;
  - e. The Bruce Grant Youth Trust; and
  - f. Various local businesses or firms using the building for functions for their employees;
4. The company made the building available for use in association with the "50K at Coronet" events in 2003 and 2004 – an event run in association with the "Cure Kids" Charity.
5. The company has made the hut available to Wakatipu High School on a number of occasions for use for fundraising purposes.
6. The company has made the building available to the Otago Ski Club for overflow accommodation on occasions when the Otago Ski Club hut has been full.

OFFICE  
17 Marine Parade  
Queenstown

ALSO AT  
Dunedin and  
Christchurch

POSTAL  
PO Box 201  
Queenstown  
New Zealand  
DX ZP95010

PHONE  
+ 64 3 450-0700

FAX  
+ 64 3 450-0799

PARTNERS  
Frazer Barton  
Bruce Bolvin  
Lesley Brook  
Jim Castiglione  
Mark Christensen  
Stephen Christensen  
Melissa Clark  
Warwick Deuchrass  
Barry Dorking  
Nick Eismore  
Michael Garbett  
Fraser Goldsmith  
Warwick Goldsmith  
Brett Gould  
Hamish Grant  
Bryan Henderson  
Sally McMillan  
Alistair Moore  
Walter Rutherford  
Lauren Semple  
Nic Soper  
Geoffrey Thomas  
Kate Walker  
Stuart Walker  
Sarah-Jane Weir  
Anne Wilson

ASSOCIATES  
Maree Baker  
Sarah Barnes  
Jen Crawford  
Stephanie Grieve  
Kate Hesson  
Paul Hubbard  
Sharon Knowles  
Jan McLeod  
Kerry O'Donnell  
Sally Peart  
Victoria Pfahlert  
Jackie St John  
Monique Thomas  
Todd Whitcombe

CONSULTANTS  
Jim Guthrie  
Ted Lloyd  
Tony Sycamore

CHIEF EXECUTIVE  
Bill Eade

INTERNET  
[www.aiclegal.com](http://www.aiclegal.com)

7. During the period from July 1<sup>st</sup> 2003 - September 30<sup>th</sup> 2005 the actual percentage of use of the hut by Coronetwork Limited shareholders compared to use of the hut by non-shareholders was:

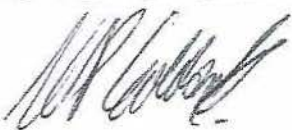
Coronetwork Limited shareholders – 19.7% (261 person nights)  
Non-Shareholders – 80.3% (1067 person nights)

8. To a certain extent the potential for public use of the building has been adversely affected by two factors – the somewhat run down state of the building at the time the current shareholders became involved with the company in 2003 – and a potable water supply which has not been able to be relied upon. The company has been addressing these issues. In particular:
- a. The company has spent some \$20,000 over the past two years upgrading the building, both internally and externally, to a point where it is now much more suitable for use by independent, non-profit groups when there is no caretaker on site.
  - b. Coronet Peak Ski Area and the company and owners of the other huts on the mountain have discussed upgrading the existing water supply so that it is more reliable for all users. Plans have now been made for that upgrade which is intended to be carried out this coming summer.
9. With the premises now more suitable for use by public non-profit groups, and with the water supply situation now being addressed, the company intends to take steps to increase the use of the building outside the ski season. The company's intention is to make the availability of the building known more widely to and through local school Boards of Trustees. Given that accommodation in Queenstown is generally fairly expensive, the company anticipates that school groups in particular may be keen to take advantage of this facility for organised school visits and outings.
10. The company confirms that the hut has not been used for any permanent residential accommodation, other than an onsite caretaker during the ski season, as required by the lease.
11. The company also confirms that all income generated from use of the hut has been applied towards maintenance and upgrading the hut as required by the lease. Income generated from use of the hut has not been sufficient to cover all outgoings, and the shortfall has been met by funds advanced to the company by its shareholders.
12. In addition the shareholders of the company have personally put in many man hours clearing pinus contorta from the land at DOC's request. That project will continue this summer.

We trust the above is satisfactory to answer the Department's enquiry. If any further information is required, please contact the writer.

Yours faithfully

**ANDERSON LLOYD CAUDWELL**



**Warwick Goldsmith**  
Partner

Email: warwick.goldsmith@alclegal.com  
Mobile: 0274 750 490

**SCHEDULE EIGHT**

**Letter from the Principal of Pure Exploration Limited**



9 January 2020

To Whom It May Concern,

## **CORONETWORK SKI HUT**

Pure Exploration is an industry training and outdoor education organisation based in Queenstown, New Zealand.

We are a DOC Partner (Concessionaire) and additionally, a DOC National MOU partner for environmental service work in New Zealand.

We run a training and education course, designed to prepare students for entry level employment in the adventure tourism sector, namely the Queenstown Lakes Region. We then work through our partner network, to meet staff supply requirements with the local operators.

This program is very accessible to students, and as such runs on a very low-cost model. The accommodation provided by Coronetworks Ski Hut during the summer months, not only gives us access to DOC managed land throughout the southern South Island and West Coast, but also enables the program to be delivered within budget at all. If we did not have access to the hut, we would not be able to afford to deliver this program in Queenstown. The accommodation circumstances would be simply to competitive.

Additionally, low cost, basic accommodations in Queenstown Lakes District, that are designed and offered to educational groups 12-24 students in size, is not readily available or offered. Facilities that can provide this cater to more lucrative markets.

The value of our partnership with the Coronetworks Ski Hut is essential to accessing and utilising public land, and to being able to make educational, industry programming, available to students at an affordable cost. We likely would not offer this program without it.

If you need any further information, please don't hesitate to get in touch.

A handwritten signature in black ink, appearing to read "Zach Johnston".

**Zach Johnston**  
Director  
Pure Exploration

Unit 54/159 Gorge Road  
Queenstown, 9300  
New Zealand

Phone: +64 3 442 0735  
Email: zach@pureexploration.nz